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

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2018

☐ **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 001-08454

ACCO Brands Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**36-2704017**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

Four Corporate Drive
Lake Zurich, Illinois 60047
(Address of Registrant's Principal Executive Office, Including Zip Code)

(847) 541-9500
(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 ☒ No ☐

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 (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Large accelerated filer	☒		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐
			Emerging growth company	☐

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. ☐

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

As of October 24, 2018, the registrant had outstanding 102,739,645 shares of Common Stock.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, particularly those anticipating future financial performance, business prospects, growth, operating strategies and similar matters are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which are generally identifiable by the use of the words "will," "believe," "expect," "intend," "anticipate," "estimate," "forecast," "project," "plan," and similar expressions, are subject to certain risks and uncertainties, are made as of the date hereof, and we undertake no duty or obligation to update them. Because actual results may differ materially from those suggested or implied by such forward-looking statements, you should not place undue reliance on them when deciding whether to buy, sell or hold the Company's securities.

Some of the factors that could affect our results or cause plans, actions and results to differ materially from current expectations are detailed in "Part I, Item 1. Business" and "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017, in "Part II, Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, in "Part II, Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q, and the financial statement line item discussions set forth in "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report on Form 10-Q and from time to time in our other Securities and Exchange Commission (the "SEC") filings.

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Website Access to Securities and Exchange Commission Reports

The Company's Internet website can be found at www.accobrands.com. The Company makes available free of charge on or through its website its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as practicable after the Company files them with, or furnishes them to, the SEC.

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PART I — FINANCIAL INFORMATION

ITEM 1. *FINANCIAL STATEMENTS*

ACCO Brands Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

(in millions)	September 30, 2018 (unaudited)	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 95.0	$ 76.9
Accounts receivable, net	421.2	469.3
Inventories	332.1	254.2
Other current assets	48.3	29.2
Total current assets	896.6	829.6
Total property, plant and equipment	643.5	645.2
Less: accumulated depreciation	(377.3)	(366.7)
Property, plant and equipment, net	266.2	278.5
Deferred income taxes	118.2	137.9
Goodwill	684.4	670.3
Identifiable intangibles, net	802.0	839.9
Other non-current assets	35.8	42.9
Total assets	$ 2,803.2	$ 2,799.1
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 54.8	$ 43.2
Accounts payable	211.5	178.2
Accrued compensation	42.5	60.9
Accrued customer program liabilities	120.0	141.1
Accrued interest	6.6	1.2
Other current liabilities	113.8	113.8
Total current liabilities	549.2	538.4
Long-term debt, net	958.6	889.2
Deferred income taxes	173.9	177.1
Pension and post-retirement benefit obligations	242.7	275.5
Other non-current liabilities	129.7	144.8
Total liabilities	2,054.1	2,025.0
Stockholders' equity:		
Common stock	1.1	1.1
Treasury stock	(33.9)	(26.4)
Paid-in capital	1,938.2	1,999.7
Accumulated other comprehensive loss	(470.7)	(461.1)
Accumulated deficit	(685.6)	(739.2)
Total stockholders' equity	749.1	774.1
Total liabilities and stockholders' equity	$ 2,803.2	$ 2,799.1

See Notes to Condensed Consolidated Financial Statements (Unaudited).

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)

(in millions, except per share data)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net sales	$ 507.3	$ 532.2	$ 1,411.9	$ 1,382.0
Cost of products sold	346.5	354.0	961.2	924.1
Gross profit	160.8	178.2	450.7	457.9
Operating costs and expenses:				
Selling, general and administrative expenses	92.8	109.8	294.6	308.2
Amortization of intangibles	9.4	9.4	27.2	26.4
Restructuring charges	1.1	2.3	7.9	16.1
Total operating costs and expenses	103.3	121.5	329.7	350.7
Operating income	57.5	56.7	121.0	107.2
Non-operating expense (income):				
Interest expense	11.6	10.7	30.9	31.3
Interest income	(1.1)	(1.6)	(3.5)	(4.9)
Non-operating pension income	(2.6)	(2.0)	(7.1)	(6.2)
Other expense (income), net	0.6	(0.2)	1.6	(1.0)
Income before income tax	49.0	49.8	99.1	88.0
Income tax expense	13.4	19.2	27.4	30.3
Net income	$ 35.6	$ 30.6	$ 71.7	$ 57.7
Per share:				
Basic income per share	$ 0.34	$ 0.28	$ 0.68	$ 0.53
Diluted income per share	$ 0.34	$ 0.28	$ 0.66	$ 0.52
Weighted average number of shares outstanding:				
Basic	103.8	108.1	105.6	108.6
Diluted	105.9	110.3	107.9	111.5
Dividends per common share	$ 0.06	$ —	$ 0.18	$ —

See Notes to Condensed Consolidated Financial Statements (Unaudited).

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
(Unaudited)

(in millions)	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net income	$ 35.6	$ 30.6	$ 71.7	$ 57.7
Other comprehensive income (loss), net of tax:				
Unrealized (loss) income on derivative instruments, net of tax benefit (expense) of $0.3 and $0.2 and $(1.1) and $1.5, respectively	(0.7)	—	2.8	(3.5)
Foreign currency translation adjustments, net of tax (expense) benefit of $1.2 and $0.4 and $(1.6) and $4.6, respectively	(4.5)	1.2	(18.6)	(5.6)
Recognition of deferred pension and other post-retirement items, net of tax (expense) benefit of $(0.4) and $0.6 and $(1.9) and $1.4, respectively	1.1	(2.0)	6.2	(5.2)
Other comprehensive loss, net of tax	(4.1)	(0.8)	(9.6)	(14.3)
Comprehensive income	$ 31.5	$ 29.8	$ 62.1	$ 43.4

See Notes to Condensed Consolidated Financial Statements (Unaudited).

ACCO Brands Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Operating activities		
Net income	$ 71.7	$ 57.7
Amortization of inventory step-up	—	0.9
Loss on disposal of assets	0.1	0.2
Depreciation	25.5	26.3
Amortization of debt issuance costs	1.5	2.4
Amortization of intangibles	27.2	26.4
Stock-based compensation	6.0	11.9
Loss on debt extinguishment	0.3	—
Changes in balance sheet items:		
Accounts receivable	46.2	64.6
Inventories	(81.2)	(48.4)
Other assets	(0.6)	(5.0)
Accounts payable	39.1	(3.5)
Accrued expenses and other liabilities	(58.1)	(20.0)
Accrued income taxes	7.0	2.2
Net cash provided by operating activities	84.7	115.7
Investing activities		
Additions to property, plant and equipment	(26.3)	(18.8)
Proceeds from the disposition of assets	0.2	0.1
Cost of acquisitions, net of cash acquired	(37.3)	(292.3)
Net cash used by investing activities	(63.4)	(311.0)
Financing activities		
Proceeds from long-term borrowings	217.4	474.1
Repayments of long-term debt	(118.3)	(180.5)
Payments for debt issuance costs	(0.6)	(3.5)
Dividends paid	(18.9)	—
Repurchases of common stock	(75.0)	(36.3)
Payments related to tax withholding for stock-based compensation	(7.5)	(9.3)
Proceeds from the exercise of stock options	6.8	3.2
Net cash provided by financing activities	3.9	247.7
Effect of foreign exchange rate changes on cash and cash equivalents	(7.1)	6.0
Net increase in cash and cash equivalents	18.1	58.4
Cash and cash equivalents		
Beginning of the period	76.9	42.9
End of the period	$ 95.0	$ 101.3

See Notes to Condensed Consolidated Financial Statements (Unaudited).

1. Basis of Presentation

As used in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, the terms "ACCO Brands," "ACCO," the "Company," "we," "us," and "our" refer to ACCO Brands Corporation and its consolidated subsidiaries.

The management of ACCO Brands Corporation is responsible for the accuracy and internal consistency of the preparation of the condensed consolidated financial statements and notes contained in this Quarterly Report on Form 10-Q.

The condensed consolidated interim financial statements have been prepared pursuant to the rules and regulations of the SEC. Although the Company believes the disclosures are adequate to make the information presented not misleading, certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP") have been condensed or omitted pursuant to those rules and regulations. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

The Condensed Consolidated Balance Sheet as of September 30, 2018, the related Consolidated Statements of Income and the Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2018 and 2017 and Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2018 and 2017 are unaudited. The December 31, 2017 Condensed Consolidated Balance Sheet data was derived from audited financial statements, but does not include all annual disclosures required by GAAP. The above referenced financial statements included herein were prepared by management and reflect all adjustments (consisting solely of normal recurring items unless otherwise noted) which are, in the opinion of management, necessary for the fair presentation of results of operations and cash flows for the interim periods ended September 30, 2018 and 2017, and the financial position of the Company as of September 30, 2018. Interim results may not be indicative of results for a full year.

On July 2, 2018, the Company completed the acquisition (the "GOBA Acquisition") of GOBA Internacional, S.A. de C.V. ("GOBA"), a leading provider of school and craft products in Mexico under the Barrilito® brand, for a preliminary purchase price of approximately $37.3 million, net of cash acquired, and subject to working capital and other adjustments. The GOBA Acquisition is expected to increase the breadth and depth of our distribution, especially with wholesalers and retailers throughout Mexico and complement our existing office products portfolio with a strong offering of school products. The results of GOBA are included in the ACCO Brands International segment as of July 2, 2018.

On January 31, 2017, the Company completed the acquisition (the "Esselte Acquisition") of Esselte Group Holdings AB ("Esselte"). Accordingly, the financial results of Esselte are included in the Company's condensed consolidated financial statements as of February 1, 2017, and are reflected in all three of the Company's reportable segments.

See "Note 3. Acquisitions" for details on the acquisitions.

In accordance with the adoption of the Accounting Standard Update ("ASU") No. 2017-07, Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, the Company has retrospectively revised its presentation of pension costs, reclassifying the non-service components of periodic pension income/cost to "Non-operating pension income" in the Consolidated Statements of Income. See "Note 2. Recent Accounting Pronouncements and Adopted Accounting Standards" for details on the new standard.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting periods. Actual results could differ from those estimates.

2. Recent Accounting Pronouncements and Adopted Accounting Standards

Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2018-15, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. This ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The Company is currently in the process of evaluating the impact of adoption of ASU 2018-15 on the Company's consolidated financial statements. ASU 2018-015 is effective for fiscal years ending after December 15, 2019. Early adoption of the standard is permitted, including adoption in any interim period for which financial statements have not been issued.

In August 2018, the FASB issued ASU No. 2018-14, Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20), Disclosure Framework - Changes to the Disclosures Requirements for Defined Benefit Plans Income Statement - Reporting Comprehensive Income (Topic 220). This ASU removes disclosures that no longer are considered cost beneficial, clarifies the specific requirements of disclosures, and adds disclosure requirements identified as relevant. The Company does not expect the adoption of ASU 2018-14 to have a material impact on its consolidated financial statements. ASU 2018-14 is effective for fiscal years ending after December 15, 2020. Early adoption is permitted for all entities and is to be applied on a retrospective basis. The Company will adopt ASU 2018-14 at the end of its 2018 fiscal year.

In February 2018, the FASB issued ASU No. 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220). In December 2017, the Tax Cuts and Jobs Act (the "U.S. Tax Act") was signed into law. Prior to ASU 2018-02, GAAP required deferred tax assets and deferred tax liabilities to be adjusted for the effect of a change in tax laws or rates with the effect included in income from continuing operations in the reporting period including the enactment date. The U.S. Tax Act reduces the historical U.S. corporate tax rate and the effect of that change is required to be included in income from continuing operations, even if the original tax effects were recorded in Accumulated Other Comprehensive Income ("AOCI"). This could cause some tax effects to become stranded in AOCI as they are not updated to reflect the new tax rate. This new standard allows a company to elect to reclass the stranded tax effects resulting from the U.S. Tax Act from AOCI to retained earnings. The adoption of the new standard may be applied in the period of adoption or retrospectively to each period(s) effected by the change in the corporate tax rate. The Company is currently in the process of evaluating the impact of adoption of ASU 2018-02 on the Company's consolidated financial statements. ASU 2018-02 is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Early adoption of the standard is permitted, including adoption in any interim period for which financial statements have not been issued.

In August 2017, the FASB issued ASU No. 2017-12, Derivative and Hedging (Topic 815), Targeted Improvements to Accounting for Hedging Activities. This ASU improves certain aspects of the hedge accounting model, including making more risk management strategies eligible for hedge accounting and simplifying the assessment of hedge effectiveness. The Company is currently in the process of assessing the impact of adoption of ASU 2017-12 on the Company's consolidated financial statements. The Company will adopt ASU 2017-12 at the beginning of its 2019 fiscal year.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU amends the existing accounting standard for leases. The amendments are intended to increase transparency and comparability among organizations by requiring recognition of lease assets and lease liabilities on the balance sheet and disclosure of key information about leasing arrangements. The new standard will be effective for annual periods beginning after December 15, 2018, including interim periods within that reporting period, and early adoption is permitted. The Company is currently evaluating the new guidance to determine the impact it will have on its consolidated financial statements and disclosures, but expects the impact to the Company's Consolidated Balance Sheet to be material. At this time, the Company does not expect the adoption of ASU 2016-02 to have a material impact on its Consolidated Statements of Income. The Company is in the process of analyzing existing leases, practical expedients, and deploying its implementation strategy. The Company will adopt ASU 2016-02 at the beginning of its 2019 fiscal year.

In July 2018, the FASB issued ASU 2018-11 Leases (Topic 842), Targeted Improvements. With this ASU, the FASB decided to provide another transition method in addition to the existing transition method by allowing entities to initially apply ASU 2016-02 at the adoption date (January 1, 2019 for the Company) and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. An entity that elects this additional (and optional) transition method must provide the required Topic 840 disclosures for all periods that continue to be in accordance with Topic 840. The amendments do not change the existing disclosure requirements in Topic 840 (for example, they do not create interim disclosure requirements that entities previously were not required to provide). The Company will apply this new transition method upon adoption of ASU 2016-02.

There are no other recently issued accounting standards that are expected to have a material effect on the Company's financial condition, results of operations or cash flow.

Recently Adopted Accounting Standards

On January 1, 2018, we adopted the accounting standard ASU No. 2017-07, Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The new standard requires presentation of all components of net periodic pension and postretirement benefit costs, other than service costs, in an income statement line item included in "Non-operating expense (income)." The service cost component will continue to be presented in selling, general and administrative expenses ("SG&A"). The Company used the practical expedient which permits an employer to use the amounts disclosed in its pension disclosures as the basis for applying the retrospective presentation requirements. On this basis, the Company restated its operating income, which was reduced by $8.5 million for the year ended December 31, 2017. For the three and nine months ended September 30, 2017 the restated amounts were $2.0 million and $6.2 million, respectively.

On January 1, 2018, we adopted the accounting standard ASU 2014-09, Revenue from Contracts with Customers and all the related amendments (Topic 606) and applied it to contracts which were not completed as of January 1, 2018 using the modified retrospective method. A completed contract is one where all (or substantially all) of the revenue was recognized in accordance with the revenue guidance that was in effect before the date of initial application of ASU 2014-09. We recognized the cumulative effect of $1.6 million, net of tax, upon adopting ASU 2014-09 as an addition to opening retained earnings as of January 1, 2018. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The majority of our revenue is recognized at a point in time, when control is transferred to our customer, which is usually when products are shipped or delivered based upon the specific terms contained within the agreement. Our general payment terms are usually within 30-90 days. We do not have any significant financing components.

The cumulative effect of the changes on our January 1, 2018 opening Condensed Consolidated Balance Sheet due to the adoption of ASU 2014-09 was as follows:

(in millions)	Balance at December 31, 2017	Adjustments due to ASU 2014-09	Balance at January 1, 2018
Assets:			
Inventories	$ 254.2	$ (3.5)	$ 250.7
Other current assets	29.2	6.9	36.1
Liabilities and stockholders' equity:			
Accrued customer program liabilities	141.1	1.1	142.2
Other current liabilities	113.8	0.1	113.9
Deferred income taxes	177.1	0.6	177.7
Accumulated deficit	(739.2)	1.6	(737.6)

The impact of the adoption of ASU 2014-09 on our Consolidated Statements of Income and Condensed Consolidated Balance Sheet for the three and nine-month periods ended September 30, 2018 was as follows:

	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018		
(in millions)	As Reported	Balances without adoption of ASU 2014-09	Effect of Change Higher/(Lower)	As Reported	Balances without adoption of ASU 2014-09	Effect of Change Higher/(Lower)
Consolidated Statements of Income:						
Net sales	$ 507.3	$ 508.0	$ (0.7)	$ 1,411.9	$ 1,413.1	$ (1.2)
Cost of products sold	346.5	346.9	(0.4)	961.2	961.9	(0.7)
Income tax expense	13.4	13.4	—	27.4	27.5	(0.1)
Net income	35.6	35.9	(0.3)	71.7	72.1	(0.4)
Condensed Consolidated Balance Sheet:						
Assets:						
Accounts receivable, net				421.2	418.7	2.5
Inventories				332.1	335.1	(3.0)
Other current assets				48.3	42.3	6.0
Liabilities and stockholders' equity:						
Accrued customer program liabilities				120.0	120.8	(0.8)
Other current liabilities				113.8	109.2	4.6
Deferred income taxes				173.9	173.4	0.5
Accumulated deficit				(685.6)	(686.8)	1.2

See "Note 5. Revenue Recognition" for the required disclosures related to ASU 2014-09.

3. Acquisitions

Acquisition of GOBA

On July 2, 2018, the Company completed the GOBA Acquisition. GOBA is a leading provider of school and craft products in Mexico under the Barrilito® brand. The GOBA Acquisition is expected to increase the breadth and depth of our distribution, especially with wholesalers and retailers throughout Mexico and complement our existing office products portfolio with a strong offering of school products. The results of GOBA are included in the ACCO Brands International segment as of July 2, 2018.

The purchase price paid at closing was Mex$782.5 million (US$39.2 million based on July 2, 2018 exchange rates), subject to working capital and other adjustments. The preliminary purchase price, net of cash acquired of $1.9 million, was $37.3 million. A portion of the purchase price (Mex$115.0 million ($5.8 million based on July 2, 2018 exchange rates)) is being held in an escrow account for a period of up to 5 years after closing in the event of any claims against the sellers under the stock purchase agreement. The Company may also make claims against the sellers directly, subject to limitations in the stock purchase agreement, if the escrow is depleted. The GOBA Acquisition and related expenses were funded by increased borrowing under our 2017 Revolving Facility (as defined below).

For accounting purposes, the Company was the acquiring enterprise. The GOBA Acquisition was accounted for as a purchase combination and GOBA's results are included in the Company’s condensed consolidated financial statements as of July 2, 2018. The net sales for GOBA for both the three and nine months ended September 30, 2018 were $10.0 million.

The following table presents the preliminary allocation of the consideration given to the fair values of the assets acquired and liabilities assumed at the date of acquisition.

(in millions)	*At July 2, 2018*
Calculation of Goodwill:	
Purchase price, net of working capital adjustment	$ 39.2
Plus fair value of liabilities assumed:	
Accounts payable and accrued liabilities	9.0
Deferred tax liabilities	3.2
Other non-current liabilities	5.5
Fair value of liabilities assumed	$ 17.7
Less fair value of assets acquired:	
Cash acquired	1.9
Accounts receivable	28.6
Inventory	7.3
Property, plant and equipment	0.6
Identifiable intangibles	10.5
Deferred tax assets	1.8
Other assets	4.2
Fair value of assets acquired	$ 54.9
Goodwill	$ 2.0

We are continuing our review of our fair value estimate of assets acquired and liabilities assumed during the measurement period, which will conclude as soon as we receive the information we are seeking about facts and circumstances that existed as of the acquisition date or learn that more information is not available. This measurement period will not exceed one year from the acquisition date. The excess of the purchase price over the fair value of net assets acquired is allocated to goodwill.

Our fair value estimate of assets acquired and liabilities assumed is pending the completion of several elements, including the valuations of the fair value of the assets acquired and liabilities assumed and final review by our management. The primary areas that are not yet finalized relate to intangible assets, property, plant and equipment, liabilities and income and other taxes. Accordingly, there could be material adjustments to our condensed consolidated financial statements, including changes in our amortization and depreciation expense related to the valuation of intangible assets and property and equipment acquired and their respective useful lives, among other adjustments.

The final determination of the purchase price, fair values and resulting goodwill may differ significantly from what is reflected in these condensed consolidated financial statements.

During the three and nine ended September 30, 2018, transaction costs related to the GOBA Acquisition were $0.6 million and $0.9 million, respectively. These costs were reported as interest and selling, general and administrative expenses in the Company's Consolidated Statements of Income.

Pro forma financial information is not presented due to immateriality.

Acquisition of Esselte

On January 31, 2017, ACCO Europe Limited ("ACCO Europe"), an indirect wholly-owned subsidiary of the Company, completed the Esselte Acquisition. The Esselte Acquisition was made pursuant to the share purchase agreement dated October 21, 2016, as amended (the "Purchase Agreement"), among ACCO Europe, the Company and an entity controlled by J. W. Childs (the

"Seller").

As a result of the acquisition of Esselte, ACCO Brands became a leading European manufacturer and marketer of branded consumer and office products. The Esselte Acquisition added the Leitz®, Rapid® and Esselte® brands in the storage and organization, stapling, punching, business machines and do-it-yourself tools product categories to the Company's portfolio. The combination improved ACCO Brands' scale and enhanced its position as an industry leader in Europe.

The purchase price paid at closing was €302.9 million (US$326.8 million based on January 31, 2017 exchange rates) and was subject to a working capital adjustment that reduced it by $0.3 million. The purchase price, net of cash acquired of $34.2 million, was $292.3 million. A portion of the purchase price (€8.1 million (US$8.7 million based on January 31, 2017 exchange rates)) is being held in an escrow account for a period of up to two years after closing as ACCO Europe's sole recourse against Seller in the event of any claims against Seller under the Purchase Agreement. As of September 30, 2018, the balance remaining in the escrow account was $6.9 million. A warranty and indemnity insurance policy held by the Company and ACCO Europe insures certain of Seller's contractual obligations to ACCO Europe under the Purchase Agreement for up to €40.0 million (US$43.2 million based on January 31, 2017 exchange rates) for a period of up to seven years, subject to certain deductibles and limitations set forth in the policy.

The Esselte Acquisition and related expenses were funded through a term loan of €300.0 million (US$320.8 million based on January 27, 2017 exchange rates) and cash on hand.

For accounting purposes, the Company was the acquiring enterprise. The Esselte Acquisition was accounted for as a purchase combination and Esselte's results are included in the Company's condensed consolidated financial statements as of February 1, 2017. The January 2018 net sales for Esselte were $44.2 million. Esselte contributed $107.7 million and $274.5 million of net sales for the three and nine months ended September 30, 2017, respectively.

The following table presents the allocation of the consideration given to the fair values of the assets acquired and liabilities assumed at the date of acquisition.

(in millions)	*At January 31, 2017*
Calculation of Goodwill:	
Purchase price, net of working capital adjustment	$ 326.5
Plus fair value of liabilities assumed:	
Accounts payable and accrued liabilities	121.9
Deferred tax liabilities	83.6
Pension obligations	174.1
Other non-current liabilities	5.8
Fair value of liabilities assumed	$ 385.4
Less fair value of assets acquired:	
Cash acquired	34.2
Accounts receivable	60.0
Inventory	41.9
Property, plant and equipment	75.6
Identifiable intangibles	277.0
Deferred tax assets	106.3
Other assets	10.4
Fair value of assets acquired	$ 605.4
Goodwill	$ 106.5

In the fourth quarter of 2017, we finalized our fair value estimate of assets acquired and liabilities assumed as of the acquisition date.

The excess of the purchase price over the fair value of net assets acquired was allocated to goodwill. The goodwill of $106.5 million is primarily attributable to synergies expected to be realized from facility integration, headcount reduction and other operational streamlining activities, and from the existence of an assembled workforce.

During the three and nine months ended September 30, 2017, transaction costs related to the Esselte Acquisition were $1.6 million and $5.0 million, respectively. These costs were reported as selling, general and administrative expenses in the Company's Consolidated Statements of Income.

4. Long-term Debt and Short-term Borrowings

Notes payable and long-term debt, listed in order of the priority of security interests in assets of the Company, consisted of the following as of September 30, 2018 and December 31, 2017:

(in millions)	September 30, 2018	December 31, 2017
Euro Senior Secured Term Loan A, due January 2022 (floating interest rate of 1.50% at September 30, 2018 and 1.50% at December 31, 2017)	$ 318.6	$ 345.0
Australian Dollar Senior Secured Term Loan A, due January 2022 (floating interest rate of 3.50% at September 30, 2018 and 3.29% at December 31, 2017)	52.6	60.0
U.S. Dollar Senior Secured Revolving Credit Facility, due January 2022 (floating interest rate of 3.87% at September 30, 2018 and 3.53% at December 31, 2017)	197.1	48.9
Australian Dollar Senior Secured Revolving Credit Facility, due January 2022 (floating interest rate of 3.50% at September 30, 2018 and 3.28% at December 31, 2017)	75.7	85.0
Senior Unsecured Notes, due December 2024 (fixed interest rate of 5.25%)	375.0	400.0
Other borrowings	0.4	0.6
Total debt	1,019.4	939.5
Less:		
Current portion	54.8	43.2
Debt issuance costs, unamortized	6.0	7.1
Long-term debt, net	$ 958.6	$ 889.2

In connection with the Esselte Acquisition, the Company entered into a Third Amended and Restated Credit Agreement (the "2017 Credit Agreement"), dated as of January 27, 2017, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other agents and various lenders party thereto. The 2017 Credit Agreement provides for a five-year senior secured credit facility, which consists of a €300.0 million (US$320.8 million based on January 27, 2017 exchange rates) term loan facility, an A$80.0 million (US$60.4 million based on January 27, 2017 exchange rates) term loan facility, and a US$400.0 million multi-currency revolving credit facility (the "2017 Revolving Facility").

Effective July 26, 2018, the Company entered into the First Amendment (the "First Amendment") to the 2017 Credit Agreement among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party thereto. The First Amendment increased the aggregate revolving credit commitments under the 2017 Revolving Facility by $100.0 million such that, after giving effect to such increase, the aggregate amount of revolving credit available under the 2017 Revolving Facility is $500.0 million. In addition, the First Amendment also affected certain technical amendments to the 2017 Credit Agreement, including the addition of provisions relating to LIBOR successor rate procedures if LIBOR becomes unascertainable or is discontinued in the future and to expressly permit certain intercompany asset transfers.

As of September 30, 2018, there were $272.8 million in borrowings outstanding under the 2017 Revolving Facility. The remaining amount available for borrowings as of September 30, 2018 was $216.7 million (allowing for $10.5 million of letters of credit outstanding on that date).

During the second quarter of 2018, the Company repurchased $25.0 million of its Senior Unsecured Notes at par.

As described in the Company's 2017 Annual Report on Form 10-K, we must meet certain restrictive debt covenants under the senior secured credit facilities. The indenture governing our outstanding senior unsecured notes also contains certain covenants. As of and for the periods ended September 30, 2018 and December 31, 2017, the Company was in compliance with all applicable loan covenants.

5. Revenue Recognition

On January 1, 2018, the Company adopted accounting standard ASU 2014-09, Revenue from Contracts with Customers and all related amendments (Topic 606), applying the modified retrospective transition method to all customer contracts that were not completed as of January 1, 2018. Results for reporting periods beginning after December 31, 2017 are presented under ASU 2014-09, while prior period amounts are not adjusted and continue to be reported under the accounting standards in effect for the prior period. The Company recorded a net increase to beginning retained earnings of $1.6 million as of January 1, 2018 due to the cumulative impact of adopting ASU 2014-09. The impact of adopting ASU 2014-09 to our financial statements as of, and for the three and nine months ended September 30, 2018 was immaterial.

Revenue is recognized when control of the promised goods or services is transferred to our customers in an amount reflective of the consideration we expect to be receive in exchange for those goods or services. Taxes we collect concurrent with revenue producing activities are excluded from revenue. Incidental items incurred that are immaterial in the context of the contract are expensed. We have elected the practical expedient to not disclose contracts that have a term of 1 year or less.

Performance Obligations

At the inception of each contract, the Company assesses the products and services promised and identifies each distinct performance obligation. To identify the performance obligations, the Company considers all products and services promised regardless of whether they are explicitly stated or implied within the contract or by standard business practices.

Freight and distribution activities performed before the customer obtains control of the goods are not considered promised services under customer contracts and therefore are not distinct performance obligations. The Company has chosen to account for shipping and handling activities as a fulfillment activity, and therefore accrues the expense of freight and distribution in "Cost of products sold" when product is shipped.

Nature of our Products and Services

***Products*:** For our products, we transfer control and recognize a sale when we either ship the product from our manufacturing facility or distribution center, procure the product from one of our vendors, or upon delivery to a customer specified location depending upon the terms in the customer agreement. For consignment arrangements, revenue is not recognized until the products are sold to the end customer. The amount of consideration we receive and revenue we recognize is impacted by incentives ("Customer Program Costs"), including sales rebates (which are generally tied to achievement of certain sales volume levels); in-store promotional allowances; shared media and customer catalog allowances; other cooperative advertising arrangements; freight allowance programs offered to our customers; and allowance for discounts and returns. We recognize Customer Program Costs as a deduction to gross sales at the time that the associated revenue is recognized. We estimate discounts based upon an analysis of historical trends and record them as reductions to "Net sales" and "Accounts receivable, net". We estimate and record a returns reserve, on a gross basis, as a reduction to "Net sales" and "Cost of products sold" with increases to "Other current liabilities" and "Inventories." We adjust our estimate of revenue when the most likely amount of consideration we expect to receive changes.

Service or Extended Maintenance Agreements ("EMAs"): Depending on the terms of the EMA, we may defer recognition of the consideration received for any unsatisfied obligations. We use an observable price to determine the stand-alone selling price for separate performance obligations or a cost plus margin approach, for our separately priced service/maintenance agreements that extend mechanical and maintenance coverage beyond our base warranty coverage to our Print Finishing Solutions customers. These agreements range in duration from three months to 60 months, however, most agreements are one year or less. We generally receive payment at inception of the EMAs and recognize revenue over the term of the agreement on a straight line basis. As of January 1, 2018, there was $5.2 million of unearned revenue associated with outstanding EMAs, primarily reported in "Other current liabilities". During the three and nine months ended September 30, 2018, $4.0 million and $11.8 million of the unearned revenue was recognized, respectively. As of September 30, 2018, the amount of unearned revenue was $5.2 million. We expect to recognize approximately $4.5 million of the unearned amount in the next 12 months and $0.7 million in future periods beyond the next 12 months.

Disaggregation of Revenues

In accordance with ASU 2014-09, the following table disaggregates revenue from contracts with customers into regional geographies. The Company has determined that disaggregating revenue into these categories provides appropriate disclosure and achieves associated objectives to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The following table presents our revenue disaggregated by regional geography(1), based upon our reporting segments for the three and nine months ended September 30, 2018 and 2017:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2018	2017	2018	2017
United States	$ 227.6	$ 252.1	$ 617.7	$ 654.4
Canada	35.8	38.2	94.1	91.4
ACCO Brands North America	**263.4**	**290.3**	**711.8**	**745.8**
ACCO Brands EMEA(2)	**143.1**	**140.3**	**438.1**	**365.3**
Australia/N.Z.	41.4	47.6	118.8	131.5
Latin America	47.6	43.2	106.7	105.1
Asia-Pacific	11.8	10.8	36.5	34.3
ACCO Brands International	**100.8**	**101.6**	**262.0**	**270.9**
Net sales	**$ 507.3**	**$ 532.2**	**$ 1,411.9**	**$ 1,382.0**

(1) Net sales are attributed to geographic areas based on the location of the selling subsidiaries.
(2) ACCO Brands EMEA is comprised largely of Europe, but also includes export sales to the Middle East and Africa.

The following table presents our revenue disaggregated by the timing of revenue recognition for the three and nine months ended September 30, 2018:

	Three Months Ended September 30,	Nine Months Ended September 30,
(in millions)	2018	2018
Product and services transferred at a point in time	$ 483.1	$ 1,361.8
Product and services transferred over time	24.2	50.1
Net sales	**$ 507.3**	**$ 1,411.9**

6. Pension and Other Retiree Benefits

The components of net periodic benefit (income) cost for pension and post-retirement plans for the three and nine months ended September 30, 2018 and 2017 were as follows:

	Three Months Ended September 30,					
	Pension				Post-retirement	
	U.S.		International			
(in millions)	2018	2017	2018	2017	2018	2017
Service cost	$ 0.4	$ 0.3	$ 0.6	$ 0.4	$ —	$ —
Interest cost	1.6	1.8	3.1	3.6	0.1	—
Expected return on plan assets	(2.9)	(3.1)	(5.6)	(5.6)	—	—
Amortization of net loss (gain)	0.7	0.5	0.8	0.7	(0.1)	(0.1)
Amortization of prior service cost	0.1	0.1	—	—	—	—
Curtailment gain	—	—	(0.6)	—	—	—
Net periodic benefit income(1)	$ (0.1)	$ (0.4)	$ (1.7)	$ (0.9)	$ —	$ (0.1)

	Nine Months Ended September 30,					
	Pension				Post-retirement	
	U.S.		International			
(in millions)	2018	2017	2018	2017	2018	2017
Service cost	$ 1.2	$ 1.0	$ 1.6	$ 1.2	$ —	$ —
Interest cost	5.0	5.3	9.8	10.0	0.1	0.1
Expected return on plan assets	(8.8)	(9.2)	(17.3)	(16.1)	—	—
Amortization of net loss (gain)	2.0	1.5	2.6	2.2	(0.3)	(0.3)
Amortization of prior service cost	0.3	0.3	—	—	—	—
Curtailment gain	—	—	(0.6)	—	—	—
Net periodic benefit income(1)	$ (0.3)	$ (1.1)	$ (3.9)	$ (2.7)	$ (0.2)	$ (0.2)

(1) The components, other than service cost, are included in the line "Non-operating pension income" in the Consolidated Statements of Income.

We expect to contribute approximately $21.3 million to our defined benefit plans in 2018. For the nine months ended September 30, 2018, we have contributed $18.4 million to these plans.

7. Stock-Based Compensation

The following table summarizes our stock-based compensation expense (including stock options, restricted stock units ("RSUs") and performance stock units ("PSUs")) for the three and nine months ended September 30, 2018 and 2017:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2018	2017	2018	2017
Stock option compensation expense	$ 0.5	$ 0.6	$ 1.5	$ 1.8
RSU compensation expense	0.8	0.8	3.7	3.5
PSU compensation expense (income)	(2.5)	2.7	0.8	6.6
Total stock-based compensation expense (income)	$ (1.2)	$ 4.1	$ 6.0	$ 11.9

We generally recognize compensation expense for stock-based awards ratably over the vesting period. Stock-based compensation expense for each of the nine months ended September 30, 2018 and 2017 includes $1.0 million and $0.8 million, respectively, of expense related to stock awards granted to eligible non-employee directors, which were fully vested on the grant date.

The following table summarizes our unrecognized compensation expense and the weighted-average period over which the expense will be recognized as of September 30, 2018:

	September 30, 2018	
(in millions, except weighted average years)	Unrecognized Compensation Expense	Weighted Average Years Expense To Be Recognized Over
Stock options	$3.9	2.1
RSUs	$6.4	2.0
PSUs	$3.9	1.3

8. Inventories

The components of inventories were as follows:

(in millions)	September 30, 2018	December 31, 2017
Raw materials	$ 50.2	$ 38.2
Work in process	4.6	4.1
Finished goods	277.3	211.9
Total inventories	$ 332.1	$ 254.2

9. Goodwill and Identifiable Intangible Assets

Goodwill

As more fully described in the Company's 2017 Annual Report on Form 10-K, we test goodwill for impairment at least annually and on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. The Company performed this annual assessment, on a qualitative basis, as allowed by GAAP, in the second quarter of 2018 and concluded that no impairment existed.

Changes in the net carrying amount of goodwill by segment were as follows:

(in millions)	ACCO Brands North America	ACCO Brands EMEA	ACCO Brands International	Total
Balance at December 31, 2017	$ 375.6	$ 129.4	$ 165.3	$ 670.3
GOBA Acquisition	—	—	2.0	2.0
Foreign currency translation	—	12.0	0.1	12.1
Balance at September 30, 2018	$ 375.6	$ 141.4	$ 167.4	$ 684.4

The goodwill balance is net of $215.1 million of accumulated impairment losses.

Identifiable Intangible Assets

The preliminary valuation of identifiable intangible assets of $10.5 million acquired in the GOBA Acquisition include an amortizable trade name and amortizable customer relationships, which have been recorded at their preliminary estimated fair values. We are continuing our review of our fair value estimate of assets acquired and liabilities assumed during the measurement period, which will conclude as soon as we receive the information we are seeking about facts and circumstances that existed as of the acquisition date, or learn that more information is not available. The preliminary fair value of the trade names was determined using the relief from royalty method, which is based on the present value of royalty fees derived from projected revenues. The preliminary fair value of the customer relationships was determined using the multi-period excess earnings method which is based on the present value of the projected after-tax cash flows.

The amortizable trade name and the customer relationships are expected to be amortized over 15 years and 10 years, respectively, on a straight-line basis, from July 2, 2018, the date GOBA was acquired by the Company. The preliminary allocations of the acquired identifiable intangibles acquired in the GOBA Acquisition are as follows:

(in millions)	Fair Value		Remaining Useful Life Ranges
Trade name - amortizable	$	3.5	15 Years
Customer relationships		7.0	10 Years
Total identifiable intangibles acquired	$	10.5	

The gross carrying value and accumulated amortization by class of identifiable intangible assets as of September 30, 2018 and December 31, 2017 was as follows:

	September 30, 2018			December 31, 2017		
(in millions)	Gross Carrying Amounts	Accumulated Amortization	Net Book Value	Gross Carrying Amounts	Accumulated Amortization	Net Book Value
Indefinite-lived intangible assets:						
Trade names	$ 472.5	$ (44.5) (1)	$ 428.0	$ 599.5	$ (44.5) (1)	$ 555.0
Amortizable intangible assets:						
Trade names	308.0	(67.4)	240.6	195.3	(59.4)	135.9
Customer and contractual relationships	244.2	(115.7)	128.5	243.0	(99.3)	143.7
Patents	5.7	(0.8)	4.9	5.8	(0.5)	5.3
Subtotal	557.9	(183.9)	374.0	444.1	(159.2)	284.9
Total identifiable intangibles	$ 1,030.4	$ (228.4)	$ 802.0	$ 1,043.6	$ (203.7)	$ 839.9

(1) Accumulated amortization prior to the adoption of authoritative guidance on goodwill and indefinite-lived intangible assets, at which time further amortization ceased.

The Company's intangible amortization expense was $9.4 million and $9.4 million for the three months ended September 30, 2018 and 2017, respectively, and $27.2 million and $26.4 million for the nine months ended September 30, 2018 and 2017, respectively.

Estimated amortization expense for amortizable intangible assets as of September 30, 2018 for the current year and the next five years are as follows:

(in millions)	2018	2019	2020	2021	2022	2023
Estimated amortization expense(2)	$ 36.7	$ 35.5	$ 32.0	$ 28.5	$ 25.0	$ 22.9

(2) Actual amounts of amortization expense may differ from estimated amounts due to changes in foreign currency exchange rates, additional intangible asset acquisitions, impairment of intangible assets, accelerated amortization of intangible assets and other events.

We test indefinite-lived intangibles for impairment at least annually and on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. We performed this annual assessment, on a qualitative basis, as allowed by GAAP, for the majority of indefinite-lived trade names in the second quarter of 2018 and concluded that no impairment existed. For one of our indefinite-lived trade names that is not substantially above its carrying value, Mead®, we also performed a quantitative test in the second quarter of 2018. A 1.5% long-term growth rate and an 11.5% discount rate were used. We concluded that the Mead® trade name was not impaired.

As of June 30, 2018, we changed the indefinite-lived Mead® trade name to an amortizable intangible asset. The change was made as a result of decisions regarding the Company's future use of the trade name. The Company began amortizing the Mead® trade name on a straight-line basis over a life of 30 years on July 1, 2018.

10. Restructuring

The Company recorded restructuring expenses for the three and nine months ended September 30, 2018 of $1.1 million and $7.9 million, respectively, primarily related to additional changes in the operating structure of the North America segment and the continued integration of Esselte within the EMEA segment. During the fourth quarter of 2018, we expect to record additional restructuring charges of $3.1 million in our ACCO Brands North America segment. This includes $2.8 million of severance expenses and $0.3 million in exit costs for some of our leased facilities.

For the three and nine months ended September 30, 2017, we recorded restructuring charges of $2.3 million and $16.1 million, respectively.

The summary of the activity in the restructuring account for the nine months ended September 30, 2018 was as follows:

(in millions)	Balance at December 31, 2017	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at September 30, 2018
Employee termination costs[1]	$ 12.0	$ 4.2	$ (8.7)	$ (0.4)	$ 7.1
Termination of lease agreements[2]	0.8	3.5	(1.6)	(0.1)	2.6
Other[3]	0.5	0.2	(0.5)	—	0.2
Total restructuring liability	$ 13.3	$ 7.9	$ (10.8)	$ (0.5)	$ 9.9

(1) We expect the remaining $7.1 million employee termination costs to be substantially paid in the next nine months.
(2) We expect the remaining $2.6 million termination of lease costs to be substantially paid in the next nine months.
(3) We expect the remaining $0.2 million of other costs, principally contract exit costs, to be paid in the next three months.

The summary of the activity in the restructuring account for the nine months ended September 30, 2017 was as follows:

(in millions)	Balance at December 31, 2016	Esselte Acquisition (4)	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at September 30, 2017
Employee termination costs	$ 1.4	$ 1.4	$ 13.2	$ (5.2)	$ 0.5	$ 11.3
Termination of lease agreements	0.1	2.0	1.9	(1.2)	0.2	3.0
Other	—	0.1	1.0	(0.3)	—	0.8
Total restructuring liability	$ 1.5	$ 3.5	$ 16.1	$ (6.7)	$ 0.7	$ 15.1

(4) Restructuring liabilities assumed in the Esselte Acquisition.

11. Income Taxes

The reconciliation of income taxes for the three and nine months ended September 30, 2018 and 2017, computed at the U.S. federal statutory income tax rate, compared to our effective income tax rate, was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2018	2017	2018	2017
Income tax expense computed at U.S. statutory income tax rate (21% and 35%, respectively)	$ 10.3	$ 17.5	$ 20.8	$ 30.8
Interest on Brazilian Tax Assessment	0.3	0.5	0.9	1.8
Partial release of reserve for the Brazilian Tax Assessment	—	—	(5.6)	—
Excess tax benefit from stock-based compensation	—	—	(2.6)	(5.5)
Net operating losses not benefited	0.8	—	2.8	—
Foreign tax rate change	—	—	3.9	—
Foreign earnings taxed at higher (lower) rate	3.3	—	5.7	(2.6)
Non-deductible expenses related to acquisitions	—	1.1	—	1.7
Miscellaneous tax expense (benefit)	(1.3)	0.1	1.5	4.1
Income tax expense as reported	$ 13.4	$ 19.2	$ 27.4	$ 30.3
Effective tax rate	27.3%	38.6%	27.6%	34.4%

For the three months ended September 30, 2018, we recorded an income tax expense of $13.4 million on income before taxes of $49.0 million. The lower effective tax rate for the three months ended September 30, 2018 was primarily attributable to positive impacts of the U.S. Tax Act (lower tax rate partially offset by global intangible low-taxed income ("GILTI") taxes) and foreign tax refunds.

For the nine months ended September 30, 2018, we recorded an income tax expense of $27.4 million on income before taxes of $99.1 million. The lower effective tax rate for the nine months ended September 30, 2018 was due to a $5.6 million benefit resulting from the partial release of the reserve for the Brazil Tax Assessment (see Income Tax Assessment - Tilibra) resulting from the expiration of the statute of limitations for the 2011 tax year, the positive impacts attributable to the U.S. Tax Act and foreign tax refunds. This was partially offset by the revaluation of the deferred tax assets and liabilities resulting from the decrease in the Swedish corporate tax rate.

For the nine months ended September 30, 2017, we recorded an income tax expense of $30.3 million on income before taxes of $88.0 million. The low effective tax rate for the nine months ended September 30, 2017 was primarily due to the excess tax benefit of $5.5 million from the realization of stock-based compensation related tax deductions.

The U.S. federal statute of limitations remains open for the years 2015 and forward. Foreign and U.S. state jurisdictions have statutes of limitations generally ranging from 2 to 5 years. Years still open to examination by foreign tax authorities in major jurisdictions include Australia (2013 forward), Brazil (2012 forward), Canada (2010 forward), Germany (2011 forward), Sweden (2011 forward) and the U.K. (2016 forward). We are currently under examination in certain foreign jurisdictions.

Tax Reform

On December 22, 2017, the U.S. Tax Act was signed into law. The U.S. Tax Act made broad and complex changes to the U.S. tax code, including, but not limited to: (i) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; (ii) requiring companies to pay a one-time transition tax on certain undistributed earnings of foreign subsidiaries (the "Transition Toll Tax"); (iii) bonus depreciation that will allow for full expensing of qualified property; (iv) a general elimination of U.S. federal income taxes on dividends from foreign subsidiaries; (v) a new provision designed to tax global intangible low-taxed income; (vi) the repeal of the domestic production activity deductions; (vii) limitations on the deductibility of certain executive compensation; (viii) limitations on the use of foreign tax credits to reduce U.S. income tax liability; and (ix) a new provision that allows a domestic corporation an immediate deduction for a portion of its foreign derived intangible income.

The SEC staff issued Staff Accounting Bulletin ("SAB") 118, which provides guidance on accounting for the tax effects of the U.S. Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the enactment date for companies to complete the related accounting under ASC 740, *Accounting for Income Taxes*. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the U.S. Tax Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for a certain income tax effect of the U.S. Tax Act is incomplete, but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the U.S. Tax Act.

The Company's accounting for certain components of the U.S. Tax Act is not complete. However, the Company was able to make reasonable estimates of the effects and recorded provisional estimates for these items. Changes in tax rates and tax laws are accounted for in the period of enactment. Therefore, during the year ended December 31, 2017, we recorded a net tax benefit totaling $25.7 million related to our provisional estimate of the impact of the U.S. Tax Act. The benefit consists of an expense of $24.0 million, net of foreign tax credit carryforwards of $14.0 million, for the one-time Transition Toll Tax and a net benefit of $49.7 million in connection with the revaluation of the deferred tax assets and liabilities resulting from the decrease in the U.S. corporate tax rate.

During the nine months ended September 30, 2018, we have made no adjustments to the provisional amounts recorded at December 31, 2017. However, the ultimate impact of the U.S. Tax Act may differ from the current estimates, possibly materially, due to changes in interpretations and assumptions the Company has made, future guidance that may be issued by the U.S. Treasury Department, the Internal Revenue Service, and other standard-setting bodies, or actions the Company may take. Adjustments to the provisional amounts may materially affect our provision for income taxes and effective tax rate in the period in which the adjustments are made. Accounting for the tax effects of the U.S. Tax Act will be completed prior to December 31, 2018.

Income Tax Assessment - Tilibra

In connection with our May 1, 2012 acquisition of the Mead Consumer and Office Products Business ("Mead C&OP"), we assumed all of the tax liabilities for the acquired foreign operations including Tilibra Produtos de Papelaria Ltda. ("Tilibra"). In December 2012, the Federal Revenue Department of the Ministry of Finance of Brazil ("FRD") issued a tax assessment (the "Brazilian Tax Assessment") against Tilibra, which challenged the tax deduction of goodwill from Tilibra's taxable income for the year 2007 (the "First Assessment"). A second assessment challenging the deduction of goodwill from Tilibra's taxable income for the years 2008, 2009 and 2010 was issued by FRD in October 2013 (the "Second Assessment"). Tilibra is disputing both of the tax assessments.

The final administrative appeal of the Second Assessment was decided against the Company in 2017. We intend to challenge this decision in court. In connection with the judicial challenge, we are required to post security to guarantee payment of the Second Assessment, which represents $21.0 million of the current reserve, should we not prevail. The First Assessment is still being challenged through established administrative procedures.

We believe we have meritorious defenses and intend to vigorously contest these matters; however, there can be no assurances that we will ultimately prevail. The ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which is expected to take a number of years. In addition, Tilibra's 2012 tax year remains open and subject to audit, and there can be no assurances that we will not receive additional tax assessments regarding the goodwill for 2012. The time limit for issuing an assessment for 2012 will expire in January 2019. If the FRD's initial position is ultimately sustained, the amount assessed would materially and adversely affect our cash flow in the year of settlement.

Because there is no settled legal precedent on which to base a definitive opinion as to whether we will ultimately prevail, we consider the outcome of this dispute to be uncertain. Since it is not more likely than not that we will prevail, in 2012, we recorded a reserve in the amount of $44.5 million (at December 31, 2012 exchange rates) in consideration of this contingency, of which $43.3 million was recorded as an adjustment to the purchase price and which included the 2007-2012 tax years plus penalties and interest through December 2012. Included in this reserve is an assumption of penalties at 75%, which is the standard penalty. While there is a possibility that a penalty of 150% could be imposed in connection with the First Assessment, based on the facts in our case and existing precedent, we believe the likelihood of a 150% penalty is not more likely than not as of September 30, 2018. We will continue to actively monitor administrative and judicial court decisions and evaluate their impact, if any, on our legal assessment of the ultimate outcome of our case. In addition, we will continue to accrue interest related to this contingency until such time as the outcome is known or until evidence is presented that we are more likely than not to prevail. The time limit for issuing an assessment for 2011 expired in January 2018 and we did not receive an assessment; we have therefore reversed $5.6

million of reserves related to 2011 in the first quarter of 2018. During the three months ended September 30, 2018 and 2017, we accrued additional interest as a charge to current income tax expense of $0.3 million and $0.5 million, respectively, and for the nine months ended September, 30, 2018 and 2017, we accrued additional interest of $0.9 million and $1.8 million, respectively. At current exchange rates, our accrual through September 30, 2018, including tax, penalties and interest is $28.4 million.

12. Earnings per Share

Total outstanding shares as of September 30, 2018 and 2017 were 102.7 million and 106.6 million, respectively. Under our stock repurchase program, for the three and nine months ended September 30, 2018, we repurchased and retired 1.9 million and 6.0 million shares, respectively. During the three and nine months ended September 30, 2017, we repurchased and retired 2.7 million and 3.2 million shares, respectively. For each of the nine months ended September 30, 2018 and 2017, we acquired 0.6 million and 0.7 million shares, respectively related to tax withholding for share-based compensation.

The calculation of basic earnings per share of common stock is based on the weighted average number of shares of common stock outstanding in the year, or period, over which they were outstanding. Our calculation of diluted earnings per share of common stock assumes that any shares of common stock outstanding were increased by shares that would be issued upon exercise of those stock awards for which the average market price for the period exceeds the exercise price less the shares that could have been purchased by the Company with the related proceeds, including compensation expense measured but not yet recognized.

Our weighted-average shares outstanding for the three and nine months ended September 30, 2018 and 2017 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2018	2017	2018	2017
Weighted-average number of shares of common stock outstanding - basic	103.8	108.1	105.6	108.6
Stock options	1.1	1.1	1.1	1.3
Restricted stock units	1.0	1.1	1.2	1.6
Weighted-average shares and assumed conversions - diluted	105.9	110.3	107.9	111.5

Awards of potentially dilutive shares of common stock, which have exercise prices that were higher than the average market price during the period, are not included in the computation of dilutive earnings per share as their effect would have been anti-dilutive. For the three and nine months ended September 30, 2018, the number of anti-dilutive shares was approximately 3.8 million and 3.6 million, respectively. For the three and nine months ended September 30, 2017, the number of these shares was approximately 3.7 million and 3.1 million, respectively.

13. Derivative Financial Instruments

We are exposed to various market risks, including changes in foreign currency exchange rates and interest rate changes. We enter into financial instruments to manage and reduce the impact of these risks, not for trading or speculative purposes. The counterparties to these financial instruments are major financial institutions. We continually monitor our foreign currency exposures in order to maximize the overall effectiveness of our foreign currency hedge positions. Principal currencies hedged include the U.S. dollar, Euro, Australian dollar, Canadian dollar, Swedish krona, British pound and Japanese yen. We are subject to credit risk, which relates to the ability of counterparties to meet their contractual payment obligations or the potential non-performance by counterparties to financial instrument contracts. Management continues to monitor the status of our counterparties and will take action, as appropriate, to further manage our counterparty credit risk. There are no credit contingency features in our derivative financial instruments.

When hedge accounting is applicable, on the date we enter into a derivative, the derivative is designated as a hedge of the identified exposure. We measure the effectiveness of our hedging relationships both at hedge inception and on an ongoing basis.

Forward Currency Contracts

We enter into forward foreign currency contracts with third parties to reduce the effect of fluctuating foreign currencies, primarily on foreign denominated inventory purchases and intercompany loans. The majority of the Company's exposure to local currency movements is in Europe (the Euro, the Swedish krona and the British pound), Australia, Canada, Brazil, and Mexico.

Forward currency contracts are used to hedge foreign denominated inventory purchases for Europe, Australia, Canada, Japan and New Zealand, and are designated as cash flow hedges. Unrealized gains and losses on these contracts are deferred in AOCI until the contracts are settled and the underlying hedged transactions relating to inventory purchases are recognized, at which time the deferred gains or losses will be reported in the "Cost of products sold" line in the "Consolidated Statements of Income." As of September 30, 2018 and December 31, 2017, we had cash-flow-designated foreign exchange contracts outstanding with a U.S. dollar equivalent notional value of $108.0 million and $93.5 million, respectively.

Forward currency contracts used to hedge foreign denominated intercompany loans are not designated as hedging instruments. Gains and losses on these derivative instruments are recognized within "Other expense (income), net" in the "Consolidated Statements of Income" and are largely offset by the change in the current translated value of the hedged item. The periods of the forward foreign exchange contracts correspond to the periods of the hedged transactions, and do not extend beyond September 2019, except for one relating to intercompany loans which extends to December 2020. As of September 30, 2018 and December 31, 2017, we had undesignated foreign exchange contracts outstanding with a U.S. dollar equivalent notional value of $126.8 million and $95.0 million, respectively.

The following table summarizes the fair value of our derivative financial instruments as of September 30, 2018 and December 31, 2017:

	Fair Value of Derivative Instruments					
	Derivative Assets			**Derivative Liabilities**		
(in millions)	**Balance Sheet Location**	**September 30, 2018**	**December 31, 2017**	**Balance Sheet Location**	**September 30, 2018**	**December 31, 2017**
Derivatives designated as hedging instruments:						
Foreign exchange contracts	Other current assets	$ 4.2	$ 0.5	Other current liabilities	$ —	$ 0.5
Derivatives not designated as hedging instruments:						
Foreign exchange contracts	Other current assets	0.1	0.4	Other current liabilities	2.7	0.7
Foreign exchange contracts	Other non-current assets	17.3	24.2	Other non-current liabilities	17.3	24.2
Total derivatives		$ 21.6	$ 25.1		$ 20.0	$ 25.4

The following tables summarize the pre-tax effect of our derivative financial instruments on the condensed consolidated financial statements for the three and nine months ended September 30, 2018 and 2017:

	The Effect of Derivative Instruments in Cash Flow Hedging Relationships on the Condensed Consolidated Financial Statements				
	Amount of Gain (Loss) Recognized in AOCI (Effective Portion)		Location of (Gain) Loss Reclassified from AOCI to Income	Amount of (Gain) Loss Reclassified from AOCI to Income (Effective Portion)	
	Three Months Ended September 30,			Three Months Ended September 30,	
(in millions)	2018	2017		2018	2017
Cash flow hedges:					
Foreign exchange contracts	$ (3.6)	$ (2.1)	Cost of products sold	$ 2.6	$ 1.9

	The Effect of Derivative Instruments in Cash Flow Hedging Relationships on the Condensed Consolidated Financial Statements				
	Amount of Gain (Loss) Recognized in AOCI (Effective Portion)		Location of (Gain) Loss Reclassified from AOCI to Income	Amount of (Gain) Loss Reclassified from AOCI to Income (Effective Portion)	
	Nine Months Ended September 30,			Nine Months Ended September 30,	
(in millions)	2018	2017		2018	2017
Cash flow hedges:					
Foreign exchange contracts	$ (1.6)	$ (5.3)	Cost of products sold	$ 5.5	$ 0.3

	The Effect of Derivatives Not Designated as Hedging Instruments on the Consolidated Statements of Operations				
	Location of (Gain) Loss Recognized in Income on Derivatives	Amount of (Gain) Loss Recognized in Income		Amount of (Gain) Loss Recognized in Income	
		Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)		2018	2017	2018	2017
Foreign exchange contracts	Other expense (income), net	$ 1.0	$ 0.5	$ 1.4	$ (0.9)

14. Fair Value of Financial Instruments

In establishing a fair value, there is a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The basis of the fair value measurement is categorized in three levels, in order of priority, as described below:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Unadjusted quoted prices in active markets for similar assets or liabilities, or
	Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or
	Inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability

We utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

We have determined that our financial assets and liabilities described in "Note 13. Derivative Financial Instruments" are Level 2 in the fair value hierarchy. The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis as of September 30, 2018 and December 31, 2017:

(in millions)	September 30, 2018	December 31, 2017
Assets:		
Forward currency contracts	$ 21.6	$ 25.1
Liabilities:		
Forward currency contracts	$ 20.0	$ 25.4

Our forward currency contracts are included in "Other current assets," "Other non-current assets," "Other current liabilities" or "Other non-current liabilities" and do not extend beyond September 2019, except for one relating to intercompany loans which extends to December 2020. The forward foreign currency exchange contracts are primarily valued based on the foreign currency spot and forward rates quoted by banks or foreign currency dealers. As such, these derivative instruments are classified within Level 2.

The fair values of cash and cash equivalents, notes payable to banks, accounts receivable and accounts payable approximate carrying amounts due principally to their short maturities. The carrying amount of total debt was $1,019.4 million and $939.5 million and the estimated fair value of total debt was $1,017.0 million and $951.5 million at September 30, 2018 and December 31, 2017, respectively. The fair values are determined from quoted market prices, where available, and from investment bankers using current interest rates considering credit ratings and the remaining time to maturity.

15. Accumulated Other Comprehensive Income (Loss)

Accumulated Other Comprehensive Income (Loss) is defined as net income (loss) and other changes in stockholders' equity from transactions and other events from sources other than stockholders. The components of, and changes in, accumulated other comprehensive income (loss), net of tax were as follows:

(in millions)	Derivative Financial Instruments	Foreign Currency Adjustments	Unrecognized Pension and Other Post-retirement Benefit Costs	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2017	$ 0.2	$ (305.4)	$ (155.9)	$ (461.1)
Other comprehensive income (loss) before reclassifications, net of tax	(1.1)	(18.6)	2.7	(17.0)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	3.9	—	3.5	7.4
Balance at September 30, 2018	$ 3.0	$ (324.0)	$ (149.7)	$ (470.7)

The reclassifications out of accumulated other comprehensive income (loss) for the three and nine months ended September 30, 2018 and 2017 were as follows:

(in millions) Details about Accumulated Other Comprehensive Income Components	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	Location on Income Statement
	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		
Gain on cash flow hedges:					
Foreign exchange contracts	$ (2.6)	$ (1.9)	$ (5.5)	$ (0.3)	Cost of products sold
Tax benefit	0.8	0.6	1.6	—	Income tax expense
Net of tax	$ (1.8)	$ (1.3)	$ (3.9)	$ (0.3)	
Defined benefit plan items:					
Amortization of actuarial loss	$ (1.4)	$ (1.1)	$ (4.3)	$ (3.4)	(1)
Amortization of prior service cost	(0.1)	(0.1)	(0.3)	(0.3)	(1)
Total before tax	(1.5)	(1.2)	(4.6)	(3.7)	
Tax benefit	0.4	0.2	1.1	1.0	Income tax expense
Net of tax	$ (1.1)	$ (1.0)	$ (3.5)	$ (2.7)	
Total reclassifications for the period, net of tax	$ (2.9)	$ (2.3)	$ (7.4)	$ (3.0)	

(1) These accumulated other comprehensive income components are included in the computation of net periodic benefit cost for pension and post-retirement plans. See "Note 6. Pension and Other Retiree Benefits" for additional details.

16. Information on Business Segments

The Company has three operating business segments each of which is comprised of different geographic regions. The Company's three segments are as follows:

Operating Segment	Geography
ACCO Brands North America	United States and Canada
ACCO Brands EMEA	Europe, Middle East and Africa
ACCO Brands International	Australia/N.Z., Latin America and Asia-Pacific

Each of the Company's three operating segments designs, markets, sources, manufactures and sells recognized consumer and end-user demanded branded products used in businesses, schools and homes. Product designs are tailored based on end-user preferences in each geographic region.

Our product categories include storage and organization; stapling; punching; laminating, binding and shredding machines and related consumable supplies; whiteboards; notebooks; calendars; computer accessories; and do-it-yourself tools, among others. Our portfolio of consumer and end-user demanded brands includes both globally and regionally recognized brands.

ACCO Brands North America

The ACCO Brands North America segment is comprised of the United States and Canada where the Company is a leading branded supplier of consumer and business products under brands such as AT-A-GLANCE®, Five Star®, GBC®, Hilroy®, Kensington®, Mead®, Quartet®, and Swingline®. The ACCO Brands North America segment designs, sources or manufactures and distributes school notebooks, calendars, whiteboards, storage and organization products (such as three-ring binders, sheet protectors and indexes), stapling, punching, laminating, binding and shredding products, and computer accessories, among others, which are primarily used in schools, homes and businesses. The majority of revenue in this segment is related to consumer and home products and is associated with the "back-to-school" season and year-end calendar purchases; we expect sales of consumer products to become an increasingly greater percentage of our revenue as demand for consumer products is faster growing than most business-related products.

ACCO Brands EMEA

The ACCO Brands EMEA segment is comprised largely of Europe, but also includes export sales to the Middle East and Africa. The Company is a leading branded supplier of consumer and business products under brands such as Derwent®, Esselte®, GBC®, Kensington®, Leitz®, NOBO®, Rapid®, and Rexel®. The ACCO Brands EMEA segment designs, manufactures or sources and distributes storage and organization products (such as lever-arch binders, sheet protectors and indexes), stapling, punching, laminating, binding and shredding products, do-it-yourself tools, and computer accessories, among others, which are primarily used in businesses, homes and schools.

ACCO Brands International

The ACCO Brands International segment is comprised of Australia/N.Z., Latin America and Asia-Pacific where the Company is a leading branded supplier of consumer and business products under brands such as Artline®, Barrilito®, GBC®, Kensington®, Marbig®, Quartet®, Rexel®, Tilibra®, and Wilson Jones®, among others. The ACCO Brands International segment designs, sources or manufactures and distributes school notebooks, calendars, whiteboards, storage and organization products (such as three-ring binders, sheet protectors and indexes), stapling, punching, laminating, binding and shredding products, writing instruments, and janitorial supplies, among others, which are primarily used in schools, businesses and homes. The majority of revenue in this segment is related to consumer products and is associated with the "back-to-school" season and year-end calendar purchases; we expect sales of consumer products to become an increasingly greater percentage of our revenue as demand for consumer products is faster growing than most business-related products.

Customers

We distribute our products through a wide variety of retail and commercial channels to ensure that our products are readily and conveniently available for purchase by consumers and other end-users, wherever they prefer to shop. These channels include mass retailers; e-tailers; discount, drug/grocery and variety chains; warehouse clubs; hardware and specialty stores; independent office product dealers; office superstores; wholesalers; and contract stationers. We also sell directly to commercial and consumer end-users through our e-commerce platform and our direct sales organization.

Net sales by business segment for the three and nine months ended September 30, 2018 and 2017 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2018	2017	2018	2017
ACCO Brands North America	$ 263.4	$ 290.3	$ 711.8	$ 745.8
ACCO Brands EMEA	143.1	140.3	438.1	365.3
ACCO Brands International	100.8	101.6	262.0	270.9
Net sales	**$ 507.3**	**$ 532.2**	**$ 1,411.9**	**$ 1,382.0**

Operating income by business segment for the three and nine months ended September 30, 2018 and 2017 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2018**	**2017**	**2018**	**2017**
ACCO Brands North America	$ 33.7	$ 49.6	$ 88.1	$ 107.1
ACCO Brands EMEA	14.6	7.8	37.1	10.8
ACCO Brands International	16.1	11.2	25.2	25.3
Segment operating income	64.4	68.6	150.4	143.2
Corporate	(6.9)	(11.9)	(29.4)	(36.0)
Operating income(1)	**57.5**	**56.7**	**121.0**	**107.2**
Interest expense	11.6	10.7	30.9	31.3
Interest income	(1.1)	(1.6)	(3.5)	(4.9)
Non-operating pension income	(2.6)	(2.0)	(7.1)	(6.2)
Other expense (income), net	0.6	(0.2)	1.6	(1.0)
Income before income tax	**$ 49.0**	**$ 49.8**	**$ 99.1**	**$ 88.0**

(1) Operating income as presented in the segment table above is defined as i) net sales; ii) less cost of products sold; iii) less selling, general and administrative expenses; iv) less amortization of intangibles; and v) less restructuring charges.

17. Commitments and Contingencies

Pending Litigation - Brazil Tax Assessment

In connection with our May 1, 2012 acquisition of the Mead C&OP business, we assumed all of the tax liabilities for the acquired foreign operations including Tilibra Produtos de Papelaria Ltda. ("Tilibra"). For further information see, "Note 11. Income Taxes - *Income Tax Assessment - Tilibra*" for details on tax assessments issued by the FRD against Tilibra, which challenged the tax deduction of goodwill from Tilibra's taxable income for the years 2007 through 2010.

Other Pending Litigation

We are party to various lawsuits and regulatory proceedings, primarily related to alleged patent infringement and employee terminations as well as other claims incidental to our business. In addition, we may be unaware of third party claims of intellectual property infringement relating to our technology, brands or products and we may face other claims related to business operations. Any litigation regarding patents or other intellectual property could be costly and time-consuming and might require us to pay monetary damages or enter into costly license agreements. We also may be subject to injunctions against development and sale of certain of our products.

It is the opinion of management that (other than the Brazilian Tax Assessment) the ultimate resolution of currently outstanding matters will not have a material adverse effect on our financial condition, results of operations or cash flow. However, there is no assurance that we will ultimately be successful in our defense of any of these matters or that an adverse outcome in any matter will not affect our results of operations, financial condition or cash flow. Further, future claims, lawsuits and legal proceedings could materially and adversely affect our business, reputation, results of operations and financial condition.

Environmental

We are subject to national, state, provincial and/or local environmental laws and regulations concerning the discharge of materials into the environment and the handling, disposal and clean-up of waste materials and otherwise relating to the protection of the environment. This includes environmental laws and regulations that affect the design and composition of certain of our products. It is not possible to quantify with certainty the potential impact of actions regarding environmental matters, particularly remediation and other compliance efforts that we may undertake in the future. In the opinion of our management, compliance with the present environmental protection laws, before taking into account estimated recoveries from third parties, will not have a material adverse effect upon our capital expenditures, financial condition and results of operations or competitive position.

18. Subsequent Events

Dividends

On October 30, 2018, the Company's Board of Directors declared a cash dividend of $0.06 per share on its common stock. The dividend is payable on December 19, 2018 to stockholders of record as of the close of business on November 30, 2018. The declaration and payment of future dividends will be at the discretion of the Board of Directors and will be dependent upon, among other things, the Company's financial position, results of operations, cash flows, debt covenant compliance, anticipated liquidity needs, and other factors.

ITEM 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

INTRODUCTION

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and nine months ended September 30, 2018 and 2017 should be read in conjunction with the unaudited condensed consolidated financial statements of ACCO Brands Corporation and the accompanying notes contained therein.

Overview of the Company

ACCO Brands is a designer, marketer and manufacturer of recognized consumer and end-user demanded brands used in businesses, schools, and homes. Our widely known brands include AT-A-GLANCE ®, Barrilito®, Derwent®, Esselte®, Five Star®, GBC®, Hilroy®, Kensington®, Leitz®, Marbig®, Mead®, NOBO®, Quartet®, Rapid®, Rexel®, Swingline®, Tilibra® and Wilson Jones®. More than 80% of our net sales come from brands that occupy the number-one or number-two positions in the select product categories in which we compete. We distribute our products through a wide variety of retail and commercial channels to ensure that our products are readily and conveniently available for purchase by consumers and other end-users, wherever they prefer to shop. These channels include mass retailers, e-tailers, discount, drug/grocery and variety chains; warehouse clubs; hardware and specialty stores; independent office product dealers; office superstores; wholesalers; and contract stationers. Our products are sold primarily in the U.S., Europe, Australia, Canada, Brazil and Mexico. For the year ended December 31, 2017, approximately 55% of our net sales were outside the U.S., up from 43% in 2016. This increase was the result of the Esselte and Pelikan Artline acquisitions, which further extended our geographic reach.

Over the past several years we have transformed our business by divesting certain non-core commercially-oriented product lines, acquiring companies with consumer and end-user demanded brands, and continuing to diversify our distribution channels. In 2012, we acquired the Mead Consumer and Office Products business ("Mead C&OP"), which substantially increased our presence in North America and Brazil in school and calendar products with well-known consumer brands. In 2016, we purchased the remaining equity interest in Pelikan Artline from our joint venture partner, which enhanced our competitive position in school and business products in Australia and New Zealand and added new consumer categories, including writing instruments and janitorial supplies. In early 2017, we acquired Esselte Group Holdings AB ("Esselte"), which more than doubled our presence in Europe and added several iconic business brands, a significant base of independent dealer customers, and a new product category of do-it-yourself hardware tools. Recently, we completed the acquisition (the "GOBA Acquisition") of GOBA Internacional, S.A. de C.V. ("GOBA") on July 2, 2018. See below. Together these acquisitions have meaningfully expanded our portfolio of well-known end-user demanded brands, enhanced our competitive position from both a product and channel perspective, and added scale to our business operations.

Today our Company is a global enterprise focused on developing innovative branded consumer products for use in businesses, schools and homes. We believe our leading product category positions provide the scale to enable us to invest in marketing and product innovation to drive profitable growth. We expect to derive much of our growth, over the long term, in faster-growing emerging geographies such as Latin America and parts of Asia, the Middle East and Eastern Europe, which exhibit stronger demand for our product categories than in developed markets. In all of our markets, we see opportunities to grow sales through share gains, channel expansion and innovative products. We plan to supplement organic growth globally with strategic acquisitions in both existing and adjacent product categories.

Acquisitions

GOBA Internacional, S.A. de C.V. Acquisition

On July 2, 2018, the Company completed the acquisition (the "GOBA Acquisition") of GOBA Internacional, S.A. de C.V. ("GOBA"), a leading provider of school and craft products in Mexico under the Barrilito® brand, for a preliminary purchase price of approximately $37.3 million, net of cash acquired, and subject to working capital and other adjustments. The GOBA Acquisition is expected to increase the breadth and depth of our distribution, especially with wholesalers and retailers throughout Mexico and complement our existing office products portfolio with a strong offering of school products. The results of GOBA are included in the ACCO Brands International segment as of July 2, 2018.

Esselte Group Holdings AB Acquisition

On January 31, 2017, the Company completed the acquisition of Esselte (the "Esselte Acquisition"). Accordingly, the results of Esselte are included in the Company's condensed consolidated financial statements from February 1, 2017 forward and are reported in all three of the Company's segments, but primarily in the ACCO Brands EMEA segment. As a result of the acquisition of Esselte, ACCO Brands became a leading European manufacturer and marketer of branded consumer and office products. The Esselte Acquisition added the Leitz®, Rapid® and Esselte® brands in the storage and organization, stapling, punching, business machines and do-it-yourself tools product categories to the Company's portfolio. The combination improved ACCO Brands' scale and enhanced its position as an industry leader in Europe.

For further information on the acquisitions, see "Note 3. Acquisitions" to the condensed consolidated financial statements contained in Item 1. of this report.

OVERVIEW OF PERFORMANCE

Net sales for the three months ended September 30, 2018, decreased 5% primarily due to lower sales in the U.S from lower wholesaler purchases, the earlier timing of back-to-school shipments and reduced sales of calendar products, which offset growth in EMEA. Operating income increased 1% due to lower restructuring and integration charges in the current year as well as lower management incentive compensation expenses, which offset lower sales, adverse mix and inflation in the U.S. and foreign exchange. The lower management incentive compensation expenses resulted from the release of accruals based on our lower performance expectations for 2018.

Our financial results for the three months ended September 30, 2018, were impacted by the following key factors:

- We saw lower sales in our North America segment primarily due to declines with large wholesale customers. Our gross profit and margin were also adversely impacted by customer and product mix including the impact from these lost sales. In particular, the proposed acquisition of Essendant by Staples, which if completed will bring together two of our large U.S. customers, and the acquisition of U. S. independent dealers by both Staples and Office Depot, is creating substantial uncertainty and disruption in the wholesaler and independent dealer channels in the U.S. which has and will continue to adversely impact our customers' buying patterns, resulting in lower sales to these channels and accompanying profit erosion. We expect this trend to continue until the uncertainties in these channels are resolved and the situation stabilizes.

- Inflationary increases in input costs in the North America segment, including the cost of paper, steel, aluminum, transportation and increased tariffs, adversely impacted our cost of products sold and gross profit margin, particularly during the third quarter of 2018. We currently expect these inflationary trends to continue with increasing adverse impact in coming quarters, particularly from announced tariff increases in January 2019. We have implemented a price increase in the fourth quarter of 2018 to partially offset these cost increases. We plan to raise prices again in early 2019, which we expect to fully offset these known cost increases and may need to increase prices again to offset the cost of any additional inflationary increases in the coming quarters.

Our financial results for the three and nine months ended September 30, 2018 were also impacted by the following factors:

- Foreign currency translation impacted our net sales and operating income unfavorably for the three months ended September 30, 2018, but it still has had a positive impact on a year-to-date basis. However, due to the recent strengthening of the U.S. dollar, we expect foreign currency translation to negatively impact our 2018 fourth quarter and full year financial results by $0.02 to $0.03 per share based on current spot rates.

- The quarter and year-to-date average foreign exchange rates have moved as follows for our major currencies relative to the U.S. dollar:

	2018 1ST QTR Average Versus 2017 1ST QTR Average	2018 2ND QTR Average Versus 2017 2ND QTR Average	2018 3RD QTR Average Versus 2017 3RD QTR Average	2018 YTD Average Versus 2017 YTD Average
Currency	**Increase/(Decline)**	**Increase/(Decline)**	**Increase/(Decline)**	**Increase/(Decline)**
Euro	15%	9%	(1)%	7%
Australian dollar	4%	1%	(7)%	(1)%
Canadian dollar	5%	4%	(4)%	2%
Brazilian real	(3)%	(11)%	(20)%	(11)%
British pound	12%	7%	—%	6%
Mexican peso	8%	(4)%	(6)%	(1)%
Japanese yen	5%	2%	—%	2%

- The nine months ended September 30, 2018 include the results of Esselte in all months, compared to only eight months included in the nine months ended September 30, 2017.

- The three and nine months ended September 30, 2018 include the results of GOBA for three months.

Consolidated Results of Operations for the Three Months Ended September 30, 2018 and September 30, 2017

	Three Months Ended September 30,		Amount of Change	
(in millions, except per share data)	**2018**	**2017**	**$**	**%/pts**
Net sales	$ 507.3	$ 532.2	$ (24.9)	(4.7)%
Cost of products sold	346.5	354.0	(7.5)	(2.1)%
Gross profit	160.8	178.2	(17.4)	(9.8)%
Gross profit margin	*31.7%*	*33.5%*		*(1.8) pts*
Selling, general and administrative expenses	92.8	109.8	(17.0)	(15.5)%
Amortization of intangibles	9.4	9.4	—	-
Restructuring charges	1.1	2.3	(1.2)	(52.2)%
Operating income	57.5	56.7	0.8	1.4 %
Operating income margin	*11.3%*	*10.7%*		*0.6 pts*
Interest expense	11.6	10.7	0.9	8.4 %
Interest income	(1.1)	(1.6)	(0.5)	(31.3)%
Non-operating pension income	(2.6)	(2.0)	0.6	30.0 %
Other expense (income), net	0.6	(0.2)	0.8	NM
Income tax expense	13.4	19.2	(5.8)	(30.2)%
Effective tax rate	*27.3%*	*38.6%*		*(11.3) pts*
Net income	35.6	30.6	5.0	16.3 %
Weighted average number of diluted shares outstanding:	105.9	110.3	(4.4)	(4.0)%
Diluted income per share	$ 0.34	$ 0.28	$ 0.06	21.4 %

Net Sales

Net sales of $507.3 million, including $10.0 million attributable to the GOBA Acquisition, decreased $24.9 million, or 4.7%, from $532.2 million in the prior-year period. Foreign currency translation reduced net sales by $15.5 million, or 2.9%, in the current-year period. Comparable net sales, excluding sales from GOBA and foreign currency translation, decreased 3.7%, primarily due to lower sales to wholesalers, and the earlier timing of back-to-school orders, which occurred in the second quarter of 2018 compared to the third quarter of 2017, as well as lower sales from reduced placements of certain calendar products.

Cost of Products Sold

Cost of products sold includes all manufacturing, product sourcing and distribution costs, including depreciation related to assets used in the manufacturing, procurement and distribution process, allocation of certain information technology costs supporting those processes, inbound and outbound freight, shipping and handling costs, purchasing costs associated with materials and packaging used in the production processes, and inventory valuation adjustments. Cost of products sold of $346.5 million, including $7.1 million attributable to GOBA, decreased $7.5 million, or 2.1%, from $354.0 million in the prior-year period. Foreign currency translation reduced cost of products sold by $10.5 million, or 3.0%, in the current-year period. Underlying cost of products sold, excluding GOBA and foreign currency translation, increased due to product mix and inflationary increases in input costs in North America, some of which was driven by new tariffs impacting the U.S, partially offset by lower comparable net sales.

Gross Profit

We believe that gross profit and gross profit margin provide enhanced shareholder understanding of our underlying operating profit drivers. Gross profit of $160.8 million, including $2.9 million attributable to GOBA, decreased $17.4 million, or 9.8%, from $178.2 million in the prior-year period. Foreign currency translation reduced gross profit by $5.0 million, or 2.8%, in the current-year period. Underlying gross profit, excluding GOBA and foreign currency translation, decreased primarily due to lower net sales, unfavorable product mix, and rising input costs, particularly in the North America segment, partially offset by cost savings.

Likewise, gross profit as a percent of net sales decreased to 31.7% from 33.5%.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") include advertising, marketing, selling (including commissions), research and development, customer service, depreciation related to assets outside the manufacturing and distribution processes and all other general and administrative expenses outside the manufacturing and distribution functions (e.g., finance, human resources, and information technology). SG&A of $92.8 million, including $1.2 million attributable to GOBA, decreased $17.0 million, or 15.5%, from $109.8 million in the prior-year period. The current-year period includes $0.9 million of integration costs related to the Esselte and GOBA acquisitions. The prior-year period included $5.0 million of integration and transaction costs related to both the Esselte and Pelikan Artline acquisitions. Foreign currency translation reduced SG&A by $2.5 million, or 2.3%, in the current-year period. Underlying SG&A, excluding integration and transaction costs, foreign currency translation and GOBA, decreased primarily due to a $9.9 million reduction in management incentive compensation expenses resulting from the release of accruals based on our lower performance expectations for 2018, and synergy savings.

SG&A as a percentage of net sales decreased to 18.3% from 20.6% in the prior-year period, primarily due to lower management incentive compensation expenses, synergy savings, and lower integration and transaction costs.

Restructuring Charges

Restructuring charges of $1.1 million decreased $1.2 million, or 52.2%, from $2.3 million in the prior-year period. The current-year period charges primarily related to Esselte integration activities. The charges in the prior-year period primarily related to both Esselte and Pelikan Artline integration activities.

Operating Income

Operating income of $57.5 million, including $1.5 million attributable to GOBA, increased $0.8 million, or 1.4%, from $56.7 million in the prior-year period. Foreign currency translation reduced operating income by $2.3 million, or 4.1% in the current-year period. Underlying operating income, excluding GOBA, restructuring charges, integration and transaction costs and foreign currency translation, decreased due to lower gross profit and margin, substantially offset by a $10.5 million reduction in management incentive compensation expenses.

Interest Expense and Other Expense (Income), Net

Interest expense of $11.6 million increased $0.9 million, or 8.4%, from $10.7 million in the prior-year period. The increase was primarily due to higher forward points on hedged intercompany loans.

Other expense (income), net was an expense of $0.6 million compared to income of $0.2 million in the prior-year period. The increase in expense was due to foreign exchange losses in the current-year period.

Income Taxes

For the current-year period, income tax expense was $13.4 million on income before taxes of $49.0 million, or an effective tax rate of 27.3%. The lower effective tax rate in the current-year period was primarily due to the positive impacts attributable to the Tax Cuts and Jobs Act ("U.S. Tax Act"). For the prior-year period, income tax expense was $19.2 million on income before taxes of $49.8 million, or an effective tax rate of 38.6%. The high effective tax rate in the prior-year period was primarily due to $1.1 million in non-deductible expenses related to the acquisitions.

Net Income

Net income of $35.6 million increased $5.0 million, or 16.3%, from $30.6 million, in the prior-year period. Diluted income per share of $0.34 increased $0.06, or 21.4% from $0.28 per diluted share in the prior-year period. Foreign currency translation reduced net income by $2.0 million, or 6.5% in the current-year period. Underlying net income, excluding foreign currency translation, increased primarily due to lower income taxes.

Segment Net Sales and Operating Income for the Three Months Ended September 30, 2018 and September 30, 2017

	Three Months Ended September 30, 2018			Amount of Change Compared to the Three Months Ended September 30, 2017				
(in millions)	Net Sales	Segment Operating Income (A)	Segment Operating Income Margin	Net Sales $	Net Sales %	Segment Operating Income (A) $	Segment Operating Income %	Margin Points
ACCO Brands North America	$ 263.4	$ 33.7	12.8%	$ (26.9)	(9.3)%	$ (15.9)	(32.1)%	(430)
ACCO Brands EMEA	143.1	14.6	10.2%	2.8	2.0%	6.8	87.2 %	460
ACCO Brands International	100.8	16.1	16.0%	(0.8)	(0.8)%	4.9	43.8 %	500
Total	$ 507.3	$ 64.4		$ (24.9)		$ (4.2)		

	Three Months Ended September 30, 2017		
(in millions)	Net Sales	Segment Operating Income (A)	Segment Operating Income Margin
ACCO Brands North America	$ 290.3	$ 49.6	17.1%
ACCO Brands EMEA	140.3	7.8	5.6%
ACCO Brands International	101.6	11.2	11.0%
Total	$ 532.2	$ 68.6	

(A) Segment operating income excludes corporate costs. See "Part I, Item 1. Note 16. Information on Business Segments," for a reconciliation of total "Segment operating income" to "Income before income tax."

ACCO Brands North America

ACCO Brands North America net sales of $263.4 million decreased $26.9 million, or 9.3%, from $290.3 million in the prior-year period. Foreign currency translation reduced net sales by $1.4 million, or 0.5% in the current-year period. Comparable net sales, excluding foreign currency translation, decreased 8.8% primarily due to lower sales to U.S. wholesalers, the earlier timing of back-to-school orders compared to 2017, and lower sales from reduced placements of certain calendar products.

ACCO Brands North America operating income of $33.7 million decreased $15.9 million, or 32.1%, from $49.6 million in the prior-year period. Operating income as a percent of net sales decreased to 12.8%, compared to 17.1% in the prior-year period.

The decrease in operating income was primarily due to lower net sales and lower gross profit and margin. The lower gross profit and margin resulted from unfavorable product mix and rising input costs. In the U.S. we saw increases in our purchase costs for paper, wire, steel and aluminum, some of which were driven by new tariffs, and increases in fuel costs and transport rates. The decline in gross profit and margin was partially offset by lower SG&A expenses primarily from a reduction in management incentive compensation expenses resulting from the release of accruals based on our lower performance expectations for 2018.

We currently expect the adverse impact of tariffs on our U.S. financial results to become more significant going forward, increasing in the fourth quarter of 2018 and further increasing in the first half of 2019 as additional tariffs take effect. We also expect the uncertainty and disruption within the commercial channels (including wholesalers, independent dealers and office superstores) to continue for some time and until the situation stabilizes, resulting in lower sales to these channels and accompanying profit erosion.

ACCO Brands EMEA

ACCO Brands EMEA net sales of $143.1 million increased $2.8 million, or 2.0%, from $140.3 million in the prior-year period. Foreign currency translation reduced net sales by $3.8 million, or 2.7% in the current-year period. Comparable net sales, excluding foreign currency translation, increased 4.7% due to increased volume resulting from expanding distribution of legacy ACCO Brands' products to the acquired Esselte customer base, as well as strong growth in shredders and computer products.

ACCO Brands EMEA operating income of $14.6 million increased $6.8 million, or 87.2%, from $7.8 million in the prior-year period. Operating income as a percent of net sales increased to 10.2% from 5.6% in the prior-year period. Foreign currency translation reduced operating income by $0.4 million in the current-year period. Underlying operating income, excluding foreign currency translation, increased due to higher gross profit and margin, synergy savings, increased sales and $1.1 million in lower restructuring charges and integration costs. The higher gross profit margin was driven by favorable product mix and synergy savings.

ACCO Brands International

ACCO Brands International net sales of $100.8 million, including $10.0 million attributable to GOBA, decreased $0.8 million, or 0.8%, from $101.6 million in the prior-year period. Foreign currency translation reduced net sales by $10.3 million, or 10.1% in the current-year period. Comparable net sales, excluding GOBA and foreign currency translation, decreased 0.5%. Declines in Australia, primarily due to lower sales from reduced placements of private label commodity products, were only partially offset by growth in Brazil and Asia.

ACCO Brands International operating income of $16.1 million, including $1.5 million attributable to GOBA, increased $4.9 million, or 43.8%, from $11.2 million in the prior-year period. Operating income as a percent of net sales increased to 16.0% from 11.0% in the prior-year period. Foreign currency translation reduced operating income by $1.8 million in the current-year period. Underlying operating income, excluding GOBA and foreign currency translation, increased due to productivity improvements and costs savings, $1.5 million of lower restructuring charges and integration costs in the current-year period, and lower bad debt expenses, which were partially offset by lower volume.

Consolidated Results of Operations for the Nine Months Ended September 30, 2018 and September 30, 2017

(in millions, except per share data)	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	Amount of Change $	Amount of Change %/pts
Net sales	$ 1,411.9	$ 1,382.0	$ 29.9	2.2 %
Cost of products sold	961.2	924.1	37.1	4.0 %
Gross profit	450.7	457.9	(7.2)	(1.6)%
Gross profit margin	*31.9%*	*33.1%*		*(1.2) pts*
Selling, general and administrative expenses	294.6	308.2	(13.6)	(4.4)%
Amortization of intangibles	27.2	26.4	0.8	3.0 %
Restructuring charges	7.9	16.1	(8.2)	(50.9)%
Operating income	121.0	107.2	13.8	12.9 %
Operating income margin	*8.6%*	*7.8%*		*0.8 pts*
Interest expense	30.9	31.3	(0.4)	(1.3)%
Interest income	(3.5)	(4.9)	(1.4)	(28.6)%
Non-operating pension income	(7.1)	(6.2)	0.9	14.5 %
Other expense (income), net	1.6	(1.0)	2.6	NM
Income tax expense	27.4	30.3	(2.9)	(9.6)%
Effective tax rate	*27.6%*	*34.4%*		*(6.8) pts*
Net income	71.7	57.7	14.0	24.3 %
Weighted average number of diluted shares outstanding:	107.9	111.5	(3.6)	(3.2)%
Diluted income per share	$ 0.66	$ 0.52	$ 0.14	26.9 %

Net Sales

Net sales of $1,411.9 million, including $44.2 million from the addition of Esselte for the month of January and $10.0 million attributable to GOBA, increased $29.9 million, or 2.2%, from $1,382.0 million in the prior-year period. Foreign currency translation increased net sales by $9.6 million, or 0.7%, in the current-year period. Comparable net sales, excluding the one month of sales from Esselte, sales from GOBA and foreign currency translation, decreased 2.4% driven by declines in the North America and International segments.

Cost of Products Sold

Cost of products sold of $961.2 million, including $7.1 million attributable to GOBA, increased $37.1 million, or 4.0%, from $924.1 million in the prior-year period. Foreign currency translation increased cost of products sold by $5.6 million, or 0.6%, in the current-year period. Underlying cost of products sold, excluding GOBA and foreign currency translation, increased due to the inclusion of the results of Esselte for the month of January, product mix and inflationary increases in input costs, some of which were driven by new tariffs in the U.S, partially offset by lower comparable net sales.

Gross Profit

Gross profit of $450.7 million, including $2.9 million attributable to GOBA, decreased $7.2 million, or 1.6%, from $457.9 million in the prior-year period. Foreign currency translation increased gross profit by $4.0 million, or 0.9%, in the current-year period. Underlying gross profit, excluding GOBA and foreign currency translation, decreased primarily due to unfavorable product mix in the North America and International segments and rising input costs in North America, partially offset by cost savings.

Likewise, gross profit as a percent of net sales decreased to 31.9% from 33.1%.

Selling, General and Administrative Expenses

SG&A of $294.6 million, including $1.2 million attributable to GOBA, decreased $13.6 million, or 4.4%, from $308.2 million in the prior-year period. Foreign currency translation increased SG&A by $3.1 million, or 1.0%, in the current-year period. The current-year period includes $4.4 million of integration costs primarily related to the Esselte Acquisition and transaction costs related to the GOBA Acquisition. The prior-year period included $13.1 million in integration and transaction costs related primarily to the Esselte and Pelikan Artline acquisitions. Underlying SG&A, excluding GOBA, transaction and integration costs and foreign currency translation, decreased due to cost and synergy savings and a $13.4 million reduction in management incentive compensation expenses resulting from the release of accruals based on our lower performance expectations for 2018, partially offset by the inclusion of the results of Esselte for the month of January.

SG&A as a percentage of net sales decreased to 20.9% from 22.3% in the prior-year period, primarily due to cost and synergy savings, lower management incentive compensation expenses and lower integration and transaction costs incurred in the current-year period.

Restructuring Charges

Restructuring charges of $7.9 million decreased $8.2 million, or 50.9%, from $16.1 million in the prior-year period. The current-year period charges primarily related to additional changes in the operating structure of the North America segment and the continued integration of Esselte within the EMEA segment. The prior-year period charges of $16.1 million primarily related to Esselte and Pelikan Artline integration activities.

Operating Income

Operating income of $121.0 million, including $1.5 million attributable to GOBA, was up $13.8 million, or 12.9%, from $107.2 million in the prior-year period. Foreign currency translation reduced operating income by $0.1 million, or 0.1%, in the current-year period. Underlying operating income, excluding restructuring charges, transaction and integration costs, and foreign currency translation, decreased primarily due to lower gross profit and margin from product mix, primarily in the North America segment, substantially offset by $14.2 million reduction in management incentive compensation expenses resulting from the release of accruals based on our lower performance expectations for 2018.

Other Expense (Income), Net

Other expense (income), net expense of $1.6 million was up $2.6 million from income of $1.0 million in the prior-year period. The prior-year period included a $2.3 million foreign currency gain related to the settlement of certain long-term intercompany transactions and a $0.3 million write-off of debt issuance and other costs associated with the Company's refinancing in connection with the Esselte Acquisition in the first quarter of 2017. The remaining increase in expense was due to foreign exchange losses in the current-year period.

Income Taxes

For the current-year period, income tax expense was $27.4 million on income before taxes of $99.1 million, or an effective tax rate of 27.6%. The lower effective tax rate in the current-year period was due to a $5.6 million benefit resulting from the partial release of the reserve for the Brazilian Tax Assessment due to the expiration of the statute of limitations for the 2011 tax year and the positive impacts attributable to the U.S. Tax Act. This was partially offset by the revaluation of the deferred tax assets and liabilities resulting from the decrease in the Swedish corporate tax rate. See "Note 11. Income Taxes -Income Tax Assessment - Tilibra" to the condensed consolidated financial statements contained in Item 1. of this report for additional details on the Brazilian Tax Assessment. For the prior-year period, income tax expense was $30.3 million on income before taxes of $88.0 million, or an effective tax rate of 34.4%. The prior-year period included $5.5 million tax benefit from stock-based compensation.

Net Income

Net income of $71.7 million increased $14.0 million, or 24.3%, from $57.7 million in the prior-year period. Diluted income per share was $0.66, up $0.14, or 26.9% from $0.52 per diluted share in the prior-year period. The increase in net income was primarily driven by lower management incentive compensation expenses and restructuring charges, partially offset by lower gross profit and margin.

Segment Net Sales and Operating Income for the Nine Months Ended September 30, 2018 and September 30, 2017

	Nine Months Ended September 30, 2018			Amount of Change Compared to the Nine Months Ended September 30, 2017				
(in millions)	Net Sales	Segment Operating Income (A)	Segment Operating Income Margin	Net Sales $	Net Sales %	Segment Operating Income (A) $	Segment Operating Income %	Margin Points
ACCO Brands North America	$ 711.8	$ 88.1	12.4%	$ (34.0)	(4.6)%	$ (19.0)	(17.7)%	(200)
ACCO Brands EMEA	438.1	37.1	8.5%	72.8	19.9%	26.3	243.5 %	550
ACCO Brands International	262.0	25.2	9.6%	(8.9)	(3.3)%	(0.1)	(0.4)%	30
Total	$ 1,411.9	$ 150.4		$ 29.9		$ 7.2		

	Nine Months Ended September 30, 2017		
(in millions)	Net Sales	Segment Operating Income (A)	Segment Operating Income Margin
ACCO Brands North America	$ 745.8	$ 107.1	14.4%
ACCO Brands EMEA	365.3	10.8	3.0%
ACCO Brands International	270.9	25.3	9.3%
Total	$ 1,382.0	$ 143.2	

(A) Segment operating income excludes corporate costs. See "Part I, Item 1. Note 16. Information on Business Segments," for a reconciliation of total "Segment operating income" to "Income before income tax."

ACCO Brands North America

ACCO Brands North America net sales of $711.8 million, including $0.9 million from the addition of Esselte for the month of January, decreased $34.0 million, or 4.6%, from $745.8 million in the prior-year period. Foreign currency translation increased net sales by $0.8 million, or 0.1%, in the current-year period. Comparable net sales, excluding Esselte and foreign currency translation, decreased 4.8% primarily due to lower sales to U.S. wholesalers, which were down by approximately one-third and lower sales from reduced placements of certain calendar products.

ACCO Brands North America operating income of $88.1 million decreased $19.0 million, or 17.7%, from $107.1 million in the prior-year period, and operating income margin decreased to 12.4% from 14.4%. Operating income decreased due to lower sales and lower gross profit and margin driven by unfavorable product mix and rising input costs. This was partially offset by lower SG&A expenses primarily from lower management incentive compensation expenses and cost savings.

ACCO Brands EMEA

ACCO Brands EMEA net sales of $438.1 million, including $42.7 million from the addition of Esselte for the month of January, increased $72.8 million, or 19.9%, from $365.3 million in the prior-year period. Foreign currency translation increased net sales by $18.2 million, or 5.0%, in the current-year period. Comparable net sales, excluding Esselte and foreign currency translation, increased 3.2% due to increased volume resulting from expanding distribution of legacy ACCO Brands' products to the acquired Esselte customer base, as well as strong growth in shredders and computer products.

ACCO Brands EMEA operating income of $37.1 million increased $26.3 million, or 244%, from $10.8 million in the prior-year period, and operating income margin increased to 8.5% from 3.0%. Foreign currency translation increased operating income by $1.3 million, or 12%, in the current-year period. Underlying operating income, excluding foreign currency translation, increased due to the inclusion of the results of Esselte for the month of January, $6.3 million in lower restructuring charges and integration costs, higher gross profit and margin from both favorable mix and synergy savings.

ACCO Brands International

ACCO Brands International net sales of $262.0 million, including $10.0 million attributable to GOBA and $0.6 million from the addition of Esselte for the month of January, decreased $8.9 million, or 3.3%, from $270.9 million in the prior-year period. Foreign currency translation reduced net sales by $9.4 million, or 3.5%, in the current-year period. Comparable net sales, excluding GOBA, Esselte and foreign currency translation, decreased 3.7%. The net sales decline was primarily driven by customer inventory reductions in Australia and Mexico, as well as lower sales from reduced placements of private label commodity products in Australia. These declines were only partially offset by growth in Brazil.

ACCO Brands International operating income of $25.2 million, including $1.5 million attributable to GOBA, increased $0.1 million, or 0.4%, from $25.3 million in the prior-year period and operating income margin increased to 9.6% from 9.3%. Foreign currency translation reduced operating income by $1.4 million, or 5.5%, in the current-year period. Underlying operating income, excluding GOBA and foreign currency translation, decreased due to lower comparable net sales and lower gross profit. These factors were partially offset by $5.0 million in lower restructuring charges and integration costs, and cost savings. In addition, a benefit in the prior-year period of $0.9 million from the recovery of an indirect tax in Brazil did not repeat.

SUPPLEMENTAL NON-GAAP FINANCIAL MEASURE

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles in the U.S. ("GAAP"), we provide investors with the non-GAAP financial measure "Comparable Net Sales Change."

We provide comparable net sales change in order to facilitate comparisons of our historical sales results as well as highlight the underlying sales trends in our business. We use this non-GAAP financial measure in the internal evaluation and management of our business. We believe this measure provides management and investors with a more complete understanding of our underlying sales results and trends, and enhances the overall understanding of our past sales performance and our future prospects.

We calculate comparable net sales by excluding the effect of acquisitions and by translating the current-period foreign operation net sales at prior-year currency rates.

The following tables provides a reconciliation of GAAP net sales change as reported to non-GAAP comparable net sales change:

Amount of Change - Three Months Ended September 30, 2018 compared to the Three Months Ended September 30, 2017

$ Change - Net Sales

		Non-GAAP		
	GAAP Net Sales Change	Currency Translation	Acquisition	Comparable Net Sales Change
ACCO Brands North America	**$(26.9)**	$(1.4)	$—	$(25.5)
ACCO Brands EMEA	**2.8**	(3.8)	—	6.6
ACCO Brands International	**(0.8)**	(10.3)	10.0	(0.5)
Total	**$(24.9)**	$(15.5)	$10.0	$(19.4)

% Change - Net Sales

		Non-GAAP		
	GAAP Net Sales Change	Currency Translation	Acquisition	Comparable Net Sales Change
ACCO Brands North America	**(9.3)%**	(0.5)%	—%	(8.8)%
ACCO Brands EMEA	**2.0%**	(2.7)%	—%	4.7%
ACCO Brands International	**(0.8)%**	(10.1)%	9.8%	(0.5)%
Total	**(4.7)%**	(2.9)%	1.9%	(3.7)%

Amount of Change - Nine Months Ended September 30, 2018 compared to the Nine Months Ended September 30, 2017

$ Change - Net Sales

		Non-GAAP		
	GAAP Net Sales Change	Currency Translation	Acquisition	Comparable Net Sales Change
ACCO Brands North America	**$(34.0)**	$0.8	$0.9	$(35.7)
ACCO Brands EMEA	**72.8**	18.2	42.7	11.9
ACCO Brands International	**(8.9)**	(9.4)	10.6	(10.1)
Total	**$29.9**	$9.6	$54.2	$(33.9)

% Change - Net Sales

		Non-GAAP		
	GAAP Net Sales Change	Currency Translation	Acquisition	Comparable Net Sales Change
ACCO Brands North America	**(4.6)%**	0.1%	0.1%	(4.8)%
ACCO Brands EMEA	**19.9%**	5.0%	11.7%	3.2%
ACCO Brands International	**(3.3)%**	(3.5)%	3.9%	(3.7)%
Total	**2.2%**	0.7%	3.9%	(2.4)%

Liquidity and Capital Resources

Our primary liquidity needs are to service indebtedness, fund capital expenditures and support working capital requirements. Our principal sources of liquidity are cash flows from operating activities, cash and cash equivalents held and seasonal borrowings under our $500 million multi-currency revolving credit facility (the "2017 Revolving Facility"). As of September 30, 2018, there were $272.8 million in borrowings under our 2017 Revolving Facility and the amount available for borrowings was $216.7 million (allowing for $10.5 million of letters of credit outstanding on that date).

We maintain adequate financing arrangements at market rates. Because of the seasonality of our business, we typically generate much of our cash flow in the first, third and fourth quarters, as accounts receivables are collected, and use cash in the second quarter to fund working capital in order to support the North America back-to-school season. Our Brazilian business is also highly seasonal due to the timing of the back-to-school season, which coincides with the calendar year-end in the fourth quarter. Due to various tax laws, it is costly to transfer short-term working capital in and out of Brazil; therefore, our normal practice is to hold seasonal cash requirements in Brazil, and invest it in short-term Brazilian government securities. Consolidated cash and cash equivalents was $95.0 million as of September 30, 2018, approximately $55 million of which was held in Brazil.

On February 12, 2018, the Company's Board of Directors approved the initiation of a cash dividend program under which the Company intends to pay a regular quarterly cash dividend of $0.06 per share on its common stock ($0.24 per share on an annualized basis). The declaration, payment and amount of future dividends will be at the discretion of the Board of Directors and will be dependent upon, among other things, the Company's financial position, results of operations, cash flows and other factors.

Our priorities for cash flow use over the near term, after funding business operations, including restructuring expenses, are debt reduction, share repurchases, dividends, and funding strategic acquisitions. Additionally, income tax payments are anticipated to increase to $44 million for the 2018 year, compared to $35 million paid in the 2017 year, primarily due to the fact that the U.S. has exhausted the benefit of net operating losses.

The current senior secured credit facilities have a weighted average interest rate of 2.62% as of September 30, 2018 and our senior unsecured notes have a fixed interest rate of 5.25%.

Restructuring and Integration Activities

From time to time the Company may implement restructuring, realignment or cost-reduction plans and activities, including those related to integrating acquired businesses.

During the three and nine months ended September 30, 2018, the Company recorded an aggregate $1.1 million and $7.9 million in restructuring expenses, respectively, primarily related to additional changes in the operating structure of the North America segment and the continued integration of Esselte within the EMEA segment. For additional details, see "Note 10. Restructuring" to the condensed consolidated financial statements contained in Item 1. of this report.

In addition, during the three and nine months ended September 30, 2018, the Company recorded an aggregate $0.9 million and $4.4 million, respectively, in non-restructuring integration expenses related to the integration of the ACCO Brands and Esselte operations.

The Company expects to recognize $3.1 million of additional restructuring expenses, in the fourth quarter of 2018, associated with our ACCO Brands North America segment, which have not yet been recorded, pursuant to GAAP rules.

Cash Flow for the Nine Months Ended September 30, 2018 and September 30, 2017

Cash Flow from Operating Activities

Cash provided by operating activities during the nine months ended September 30, 2018 of $84.7 million was lower by $31.0 million than the $115.7 million provided in the 2017 period, due to lower profit and reduced cash from net working capital (accounts receivable, inventories, accounts payable). Accounts receivable contributed $46.2 million in the 2018 period as collections were adversely affected by regional sales mix and sales timing, compared to $64.6 million in the prior-year period which was benefited by the timing of the 2017 Esselte Acquisition. Unfavorable foreign currency translation in 2018 also contributed to the lower cash contribution from accounts receivable. Earlier than usual purchases of raw materials, notably paper, in order to secure supply and lock-in lower pricing, drove both inventory and accounts payable levels above the prior year. In addition, higher than normal post-acquisition payments in 2017 following the acquisition of Esselte reduced cash from accounts payable in the prior year. During the nine months of 2018, cash was also used to fund significant employee annual incentive payments, along with pension contributions, interest and tax payments, all of which were broadly in line with payments made during the prior year.

The table below shows our cash flow from accounts receivable, inventories and accounts payable for the nine months ended September 30, 2018 and 2017:

	Nine Months Ended	
(in millions)	September 30, 2018	September 30, 2017
Accounts receivable	$ 46.2	$ 64.6
Inventories	(81.2)	(48.4)
Accounts payable	39.1	(3.5)
Cash flow provided by net working capital	$ 4.1	$ 12.7

Cash Flow from Investing Activities

Cash used by investing activities was $63.4 million and $311.0 million for the nine months ended September 30, 2018 and 2017, respectively. The 2018 cash outflow includes $37.3 million of preliminary purchase price, net of cash acquired, paid for GOBA, while the 2017 outflow reflects $292.3 million of purchase price, net of cash acquired, paid for Esselte. For further details, see "Note 3. Acquisitions" to the condensed consolidated financial statements contained in Item 1. of this report. Capital expenditures were $26.3 million and $18.8 million for the nine months ended September 30, 2018 and 2017, respectively, with the increase compared to the prior-year period driven by information technology system-related investments.

Cash Flow from Financing Activities

Cash provided by financing activities was $3.9 million for the nine months ended September 30, 2018, compared to $247.7 million provided for the same period of 2017. Cash sourced in 2018 includes incremental net borrowings of $99.1 million, partially offset by $75.7 million for repurchases of our common stock and payments related to tax withholding for stock-based compensation, net of proceeds received from the exercise of stock options, and $18.9 million for the payment of dividends.

Cash provided in 2017 reflects proceeds from net long-term borrowings of $293.6 million largely in connection with the Esselte Acquisition. Additionally, we used cash of $42.4 million for repurchases of common stock and payments related to tax withholding for stock-based compensation, net of proceeds received from the exercise of stock options, and paid $3.5 million of debt issuance costs associated with the 2017 debt refinancing in connection with the Esselte Acquisition.

Credit Facilities and Notes Covenants

As of and for the periods ended September 30, 2018 and December 31, 2017, the Company was in compliance with all applicable loan covenants.

Guarantees and Security

Generally, obligations under the 2017 Credit Agreement are guaranteed by certain of the Company's existing and future subsidiaries, and are secured by substantially all of the Company's and certain guarantor subsidiaries' assets, subject to certain exclusions and limitations.

Adequacy of Liquidity Sources

We believe that cash flow from operations, our current cash balance and other sources of liquidity, including borrowings available under the 2017 Revolving Facility, will be adequate to support our requirements for working capital, capital and restructuring expenditures and to service indebtedness for the foreseeable future.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

See "Part II, Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*" of the Company's Annual Report on Form 10-K for the year ended December 31, 2017. There have been no material changes to Foreign Exchange Risk Management or Interest Rate Risk Management in the quarter ended September 30, 2018 or through the date of this report.

ITEM 4. *CONTROLS AND PROCEDURES*

(a) Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation under the supervision of the Chief Executive Officer and the Chief Financial Officer, and with the participation of our Disclosure Committee, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2018.

(b) Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. *LEGAL PROCEEDINGS*

There are various claims, lawsuits and pending actions against us incidental to our operations, including the income tax assessment against our Brazilian subsidiary, Tilibra Produtos de Papelaria Ltda (the "Brazilian Tax Assessment"), which is more fully described in our Annual Report on Form 10-K for the year ended December 31, 2017 and in "Part I, Item 1. Note 11. Income Taxes - Income Tax Assessment - Tilibra" to the Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q. It is the opinion of management that (other than the Brazilian Tax Assessment) the ultimate resolution of these matters will not have a material adverse effect on our consolidated financial condition, results of operations or cash flow. However, there is no assurance that we will ultimately be successful in our defense of any of these matters or that an adverse outcome in any matter will not affect our results of operations, financial condition or cash flow.

ITEM 1A. *RISK FACTORS*

Each of the following risk factors updates and supersedes, in its entirety, any similarly captioned risk factor contained in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017, or "Part II, Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2018. The risk factors below should be reviewed together with the other risk factors contained in our 2017 Annual Report which remain unchanged:

A limited number of large customers account for a significant percentage of our net sales, and a substantial reduction in sales to, or gross profit from, or a significant decline in the financial condition of, one or more of these customers can materially adversely impact our business and results of operations.

Our top ten customers accounted for 42% and 44%, respectively, of our net sales for the nine months ended September 30, 2018 and the year ended December 31, 2017. The loss of, or a significant reduction in sales to, one or more of our top customers, or significant adverse changes to the terms on which we sell our products to one or more of our top customers, can have a material adverse effect on our business, results of operations and financial condition.

The competitive environment in which our large customers operate is rapidly changing. Office superstores, wholesalers and traditional retail customers (especially in our more developed geographies such as the U.S., Europe and Australia) face increasing competition, especially from mass merchants and e-tailers, which is driving a decline in their overall market share. In response, they continue to evolve their businesses, by shifting their channel or geographic focus, making changes to their operating models and merchandising strategies and, in many cases, consolidating or divesting unprofitable or unattractive segments of their businesses. All of these changes and the associated channel disruption and uncertainties, have made, and will continue to make, our business relationships with these customers more challenging and unpredictable. Their responses to the increasing competition include, but are not limited to: (i) increasing demands for better pricing, more promotional programs and longer payment terms; (ii) reducing the shelf space allotted to, and carrying a narrower assortment of, office and school products; (iii) increasing the amount of private label products, which compete with our branded offerings; and (iv) an overall reduction in the amount of inventory they hold. Lower sales through these traditional channels (which historically purchased products with relatively higher margins) has and are likely to continue to have an adverse impact on our sales, margins and results of operations.

In particular, the recently announced proposed acquisition of Essendant by Staples, which if completed will bring together two of our large U.S. customers, and the acquisition of U.S. independent dealers by both Staples and Office Depot, is creating substantial uncertainties and disruption in the wholesaler and independent dealer channels in the U.S., which has and will continue to impact our customer's buying patterns. During the second quarter of 2018 our lower sales to wholesalers were anticipated, but in the third quarter of 2018, we experienced larger-than-expected reductions in sales to the U.S. wholesaler channel which resulted in a significant reduction in our sales and margins and negatively impacted the performance of our North America segment, as well as our overall performance. We expect this trend to continue until the uncertainties in the commercial channel are resolved and the situation stabilizes.

Our larger customers generally have the scale to develop supply chains that permit them to change their buying patterns, or develop and market their own private label and other economy brands that compete with some of our products. This ability also makes it easier for them to resist our efforts to increase prices, reduce inventory levels, reduce the range of our branded products they offer and, potentially, de-list our products. Given the significance of our large customers to our business, all of the actions they take in response to competitive pressures and economic conditions have, and will continue to, significantly impact our sales and margins, especially in North America, EMEA, Australia and Mexico.

The economic climate in some of the countries in which we operate is volatile. A slowing economy in our key markets or changes in consumer buying habits could adversely affect the financial health of one or more of our large customers which, in turn, could have an adverse effect on our sales, results of operations and financial condition. The sell-through of our products by our customers is dependent in part on high quality merchandising and an appealing store environment to attract consumers, which requires continuing investments by our customers. Large customers that experience financial difficulties may fail to make such investments or delay them, resulting in lower sales and orders for our products.

Changes to U.S. trade policies and regulations, as well as the overall uncertainty surrounding international trade relations, could have a material adverse effect our business.

Recent changes in U.S. trade policies, including tariffs on imports from China and on steel and aluminum we use in our U.S. manufacturing operations, have had, and we expect that they will continue to have, an increasingly adverse effect on our costs of products sold and margins in our North America segment. Additionally, further changes in U.S. trade policies appear likely, including additional import tariffs, and would likely adversely impact our business. In response to these changes, other countries have and may continue to change their own trade policies, including the imposition of tariffs and quotas, which could also adversely affect our business outside the U.S. The uncertainty surrounding U.S. trade policy makes it difficult to make long-term strategic decisions regarding the best way to respond to these pressures and could also increase the volatility of currency exchange rates. Further, the knock-on effect of the tariffs has resulted in an increase in the cost of U.S.-sourced products commensurate with the tariffs, as well as increased transportation and distribution costs as companies accelerate imports in anticipation of higher future tariffs or an increase in their scope.

In order to mitigate the impact of these trade-related increases on our costs of products sold, we have increased, and intend to continue to increase prices in the U.S. to recover the impact of known inflation. Over the longer term, we may make some changes in our supply chain and, potentially, our U.S. manufacturing strategy. There can be no assurance that we will be able to successfully pass on these costs through price increases or adjust our supply chain by locating alternative suppliers for raw materials or finished goods at acceptable costs or in a timely manner, and without incurring significant costs. Additionally, implementing price increases may cause our customers to find alternative sources for their products or lower their volumes with us, resulting in reduced sales. Conversely, when tariffs decline, customer demands for lower prices could result in lower sale prices and, to the extent we have existing inventory, lower margins. As a result, fluctuations in tariffs have and may continue to have a material adverse effect on the Company's business, results of operations and financial condition.

Our inability to effectively manage the negative impacts of changing U.S. and foreign trade policies, including tariffs, could materially adversely impact our sales, margins, results of operations and financial condition.

Shifts in the channels of distribution for our products could adversely impact our sales, margins and results of operations.

Due to the competitive pressures and resulting decline in market share of the traditional office superstore, and wholesaler and independent dealer channel, as well as the ongoing changes and uncertainties in these channels (especially in the U.S., Europe and Australia), our ongoing strategy is to grow sales and market share in the faster growing mass merchant and e-tailer channels, increase our direct sales to independent office products dealers, and expand distribution into new and growing channels and geographies while maintaining strong margins. We may not be successful in executing against this strategy fast enough to offset the declines we are experiencing in the traditional office superstore and wholesaler channels due to competitive pressures and uncertainties, if at all. Additionally, the changes in our customer and product mix which may result from the shift in sales and growth in market share in these faster growing channels, may negatively impact our margins. Our inability to successfully manage the shift away from distribution channels which are declining, and grow sales and market share with customers in faster growing channels, could have a material adverse impact on our sales, margins, results of operations and financial condition.

ITEM 2. ***UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS***

(a) Not applicable.

(b) Not applicable.

(c) Common Stock Purchases

The following table provides information about our purchases of equity securities during the quarter ended September 30, 2018:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program(1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program(1)
July 1, 2018 to July 31, 2018	307,578	$ 13.76	307,578	$ 128,731,632
August 1, 2018 to August 31, 2018	1,036,489	12.51	1,036,489	115,770,058
September 1, 2018 to September 30, 2018	559,991	12.15	559,991	108,964,228
Total	1,904,058	$ 12.60	1,904,058	$ 108,964,228

(1) On October 28, 2015, the Company announced that its Board of Directors had approved the repurchase of up to $100 million in shares of its common stock. On February 14, 2018, the Company announced that its Board of Directors had approved an authorization to repurchase up to an additional $100 million in shares of its common stock.

The number of shares to be purchased, if any, and the timing of purchases will be based on the Company's stock price, leverage ratios, cash balances, general business and market conditions, and other factors, including alternative investment opportunities and working capital needs. The Company may repurchase its shares, from time to time, through a variety of methods, including open-market purchases, privately negotiated transactions and block trades or pursuant to repurchase plans designed to comply with the Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. Any stock repurchases will be subject to market conditions, SEC regulations and other considerations and may be commenced or suspended at any time or from time to time, without prior notice. Accordingly, there is no guarantee as to the number of shares that will be repurchased or the timing of such repurchases.

ITEM 3. ***DEFAULTS UPON SENIOR SECURITIES***

None.

ITEM 4. ***MINE SAFETY DISCLOSURES***

Not applicable.

ITEM 5. ***OTHER INFORMATION***

None.

ITEM 6. ***EXHIBITS***

Exhibit Number	Description of Exhibit
10.1	First Amendment to the Third Amended and Restated Credit Agreement, dated as of January 27, 2017, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party hereto *
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *

32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Cash Flows and (v) related notes to those financial statements*

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REGISTRANT:

ACCO BRANDS CORPORATION

By: /s/ Boris Elisman

Boris Elisman

Chairman, President and
Chief Executive Officer
(principal executive officer)

By: /s/ Neal V. Fenwick

Neal V. Fenwick

Executive Vice President and Chief Financial Officer
(principal financial officer)

By: /s/ Kathleen D. Hood

Kathleen D. Hood

Senior Vice President and Chief Accounting Officer
(principal accounting officer)

Date: October 30, 2018

Exhibit 10.1

FIRST AMENDMENT
TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This **FIRST AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT** (this "**Amendment**") is dated as of July 26, 2018 and is entered into by and among ACCO Brands Corporation, a Delaware corporation ("**Holdings**"), ACCO Brands Australia Holding Pty. Ltd. (the "**Australian Borrower**"), Bank of America, N.A., as administrative agent (in such capacity, the "**Administrative Agent**"), the Required Lenders (as defined in the Credit Agreement referenced below, the "**Required Lenders**") and the Guarantors listed on the signature pages hereto, and is made with reference to that certain Third Amended and Restated Credit Agreement (as amended, amended and restated, supplemented or otherwise modified prior to the date hereof, the "**Credit Agreement**"), dated as of January 27, 2017 (the "**Credit Agreement Closing Date**"), by and among Holdings, certain Subsidiaries of Holdings from time to time party thereto, the lenders from time to time party thereto (the "**Existing Lenders**") and the Administrative Agent. Unless otherwise stated, capitalized terms used herein without definition shall have the same meanings herein as set forth in the Amended Credit Agreement (as defined below).

RECITALS

WHEREAS, (i) on the Credit Agreement Closing Date, Holdings borrowed the Euro Term A Loans in an aggregate principal amount of €300,000,000, contributing the proceeds thereof to ACCO Brands Europe Holding LP ("**ACCO Europe**") by way of an intercompany note (the "**Original Intercompany Note**") in order to enable ACCO Europe to pay the Acquisition consideration and consummate the Acquisition and (ii) on or around April 30, 2017, (a) a portion of the Original Intercompany Note in an aggregate principal amount of €225,000,000 (the "**Contributed Amount**") was contributed (the "**Note Contribution**") by Holdings to ACCO Dutch Finance C.V. ("**Dutch Finance**") in exchange for a currency forward contract between Holdings and Dutch Finance in an aggregate principal amount of €225,000,000 and (b) the remainder of the Original Intercompany Note became represented by an intercompany note made by ACCO Europe in favor of Holdings in an aggregate principal amount of €75,000,000;

WHEREAS, in connection with and prior to the Note Contribution, it was necessary for the partnership interests of ACCO Europe to be contributed down to ACCO Dutch Finance Holdings C.V. (the "**ABEH Shares Contribution**");

WHEREAS, in December 2017, Esselte AB and Esselte Holdings, LLC formed a new Dutch partnership, ACCO Electra Dutch C.V. ("**ACCO Dutch**") and contributed cash and their ownership interests in Esselte European Holdings, LLC to ACCO Dutch (the "**Esselte European Holdings Contribution**" and, together with the Note Contribution and the ABEH Shares Contribution, the "**Dutch CV Transactions**");

WHEREAS, the Loan Parties party hereto desire to, and, subject to the terms and conditions contained herein, the Loan Parties, the Required Lenders, the Revolving Credit Lenders and the Administrative Agent have agreed to, increase the aggregate Revolving Credit Commitments under the Revolving Credit Facility by $100,000,000 such that, after giving effect to such increase on the Amendment Effective Date, there exist $500,000,000 in aggregate amount of Revolving Credit Commitments under the Revolving Credit Facility, with the Revolving Credit Commitments of the Revolving Credit Lenders after giving effect to this Amendment on the Amendment Effective Date to be set forth on Exhibit B hereto;

WHEREAS, pursuant to and in accordance with Section 11.01(a) of the Credit Agreement, the Required Lenders (as defined in the Credit Agreement) and the other parties hereto have agreed to amend the Credit Agreement as set forth herein;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION I. AMENDMENTS TO LOAN DOCUMENTS

Holdings, the Borrowers, the Required Lenders, the Revolving Credit Lenders, the Administrative Agent and the other parties hereto agree that on the Amendment Effective Date, the Credit Agreement shall be amended (the Credit Agreement, as amended by this Amendment, the "**Amended Credit Agreement**") as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended by adding the following definitions in appropriate alphabetical order:

"**ABEH Shares Contribution**" means the contribution by ACCO Brands International, Inc. and ACCO Europe International Holdings LLC to ACCO Dutch Finance Holdings C.V. of 100% of the partnership interests of ACCO Brands Europe Holdings LP.

"**Beneficial Ownership Certification**" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"**Beneficial Ownership Regulation**" means 31 C.F.R. § 1010.230.

"**Benefit Plan**" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"**Contributed Amount**" means that portion of the Original Intercompany Note in an aggregate principal amount of €225,000,000 that, on or around April 30, 2017, was contributed to ACCO Dutch Finance C.V. in exchange for a currency forward contract between Holdings and ACCO Dutch Finance C.V. in an aggregate principal amount of €225,000,000.

"**Dutch CV Transactions**" means the Note Contribution, the ABEH Shares Contribution and the Esselte European Holdings Contribution.

"**Esselte European Holdings Contribution**" means the contribution by Esselte Holdings, LLC of its interest in Esselte European Holdings, LLC to ACCO Electra Dutch C.V. in exchange for capital and a USD note in an amount equivalent to €30,000,000.

"**First Amendment**" means the First Amendment to Amended and Restated Credit Agreement, dated the First Amendment Effective Date, by and among the Loan Parties party thereto, the Required Lenders, the Revolving Credit Lenders and the Administrative Agent.

"**First Amendment Effective Date**" means July 26, 2018.

"**LIBOR**" has the meaning specified in the definition of "Eurodollar Rate".

"**LIBOR Screen Rate**" means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"**LIBOR Successor Rate**" has the meaning specified in Section 1.11.

"**LIBOR Successor Rate Conforming Changes**" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Borrowers).

"**Note Contribution**" means the contribution of the Contributed Amount from Holdings to ACCO Dutch Finance C.V.

"**PTE**" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"**Scheduled Unavailability Date**" has the meaning specified in Section 1.11.

(b) Section 1.01 of the Credit Agreement is hereby amended by amending and restating the following definition as follows:

"**Revolving Credit Commitment**" means, as to each Revolving Credit Lender, its obligation to make Revolving Credit Loans to the Borrowers pursuant to Section 2.01(c) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Revolving Credit Commitment" or opposite such caption in the Assignment and Assumption or Master Assignment pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First Amendment Effective Date, the aggregate amount of the Revolving Credit Commitments of all Revolving Credit Lenders is $500,000,000 (or the U.S. Dollar Equivalent thereof)."

(c) A new Section 1.11 is hereby added to the Credit Agreement as follows:

"Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrowers or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to Borrowers) that the Borrowers or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the "**Scheduled Unavailability Date**"), or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice , as applicable, the Administrative Agent and the Borrowers may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "**LIBOR Successor Rate**"), together with any proposed LIBOR Successor Rate Conforming Changes and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrowers unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders do not accept such amendment.

If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrowers and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Borrowers may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement."

(d) Section 6.02 of the Credit Agreement is hereby amended by:

i. deleting the "." at the end of clause (h) and replacing with an "; and"; and

ii. adding a new clause (i) at the end thereof as follows:

"(i) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender, including, without limitation, a Beneficial Ownership Certification, for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation."

(e) Section 7.02 of the Credit Agreement is hereby amended by:

i. deleting the "." at the end of clause (p) and replacing with an "; and"; and

ii. adding a new clause (q) at the end thereof as follows:

"(q) Investments by Holdings or any other Loan Party constituting the Dutch CV Transactions."

(f) Section 7.03(f) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(f) Indebtedness of any Borrower or any Subsidiary owing to any Borrower or any Subsidiary to the extent constituting an Investment permitted by Section 7.02(c) or 7.02(q); *provided* that the Collateral and Guaranty Requirements are satisfied to the extent applicable to such Indebtedness and that any such Indebtedness, to the extent owed by a Loan Party to a Subsidiary that is not a Loan Party, shall be subordinated to the payment of the Obligations in a manner satisfactory to the Administrative Agent;"

(g) Section 7.08(g) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(g) any Investments made pursuant to Sections 7.02(c)(ii), 7.02(c)(iii), 7.02(c)(iv), 7.02(c)(v), 7.02(c)(vi)(C)(2) and 7.02(q)."

(h) A new Section 9.12 is hereby added to the Credit Agreement as follows:

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that:

(i) none of the Administrative Agent, the Arrangers or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is a fiduciary under

ERISA or the Code, or both, with respect to the Loans, the Letters of Credit, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent, the Arrangers or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Letters of Credit, the Commitments or this Agreement.

(c) The Administrative Agent and the Arrangers hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

(i) Schedule 1.01C to the Credit Agreement is hereby amended and restated in its entirety as set forth on Exhibit A hereto.

(j) The Revolving Credit Commitments set forth on Schedule 2.01 to the Credit Agreement are hereby amended and restated in their entirety as set forth on Exhibit B hereto.

SECTION II.REVOLVING CREDIT COMMITMENT INCREASE

(a) Each Revolving Credit Lender who agrees to increase its Revolving Credit Commitments in connection with this Amendment (an "**Upsizing Revolving Credit Lender**") hereby severally, but not jointly, agrees to provide Revolving Credit Commitments in an aggregate principal amount equal to $100,000,000 (the "**Upsized Revolving Credit Commitments**") for a Revolving Credit Commitment increase (the "**Revolving Credit Commitment Increase**") so that, effective as of the Amendment Effective Date, its Revolving Credit Commitments under the Revolving Credit Facility shall be as set forth on Schedule 2.01 to the Amended Credit Agreement.

(b) As of the Amendment Effective Date, after giving effect to the incurrence of the Upsized Revolving Credit Commitments, the aggregate principal amount of the Revolving Credit Commitments pursuant to the Amended Credit Agreement shall be $500,000,000. For the avoidance of doubt, the Upsized Revolving Credit Commitments are not being incurred as Incremental Revolving Commitments pursuant to Section 2.14 of the Amended Credit Agreement.

(c) The Administrative Agent will take those steps which it deems, in its sole discretion and in consultation with the Borrowers, necessary and appropriate to cause each Revolving Credit Lender (including the Upsizing Revolving Credit Lenders) to hold outstanding Revolving Credit Loans and participation interests in outstanding Letters of Credit and Swing Line Loans ratably based on its pro rata share under the Revolving Credit Facility immediately after giving effect to the Revolving Credit Commitment Increase.

(d) Each Revolving Credit Lender immediately prior to the Revolving Credit Commitment Increase will automatically and without further act be deemed to have assigned to each existing Revolving Credit Lender and each Upsized Revolving Credit Lender, and each Upsized Revolving Credit Lender will automatically and without further act be deemed to have assumed a portion of such Revolving Credit Lender's participation interests under the Amended Credit Agreement in outstanding Letters of Credit and Swing Line Loans.

SECTION III.CONDITIONS TO EFFECTIVENESS

This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the "**Amendment Effective Date**"):

(a) This Amendment shall have been duly executed by Holdings, the Borrowers, each other Loan Party, the Administrative Agent, the Required Lenders, the Revolving Credit Lenders and, in each case, duly executed counterparts thereof shall have been delivered to the Administrative Agent.

(b) The Administrative Agent shall have received the following, each of which shall be originals, facsimiles or "pdf" or similar electronic format (in each such case, followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party and each in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) a certificate of a Responsible Officer of each Loan Party certifying as to the Organization Documents thereof together with copies of the Organization Documents of such Loan Party annexed thereto;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Amendment and the other Loan Documents to which such Loan Party is a party;

(iii) a certificate attesting to the Solvency of Holdings and its Subsidiaries (taken as a whole) on the Amendment Effective Date after giving effect to the Dutch CV Transactions and the Upsized Revolving Credit Commitments, from the chief financial officer of Holdings;

(iv) a certificate attesting to compliance with clauses (e), (f), (g), (h), (i) and (j) of this Section III on the Amendment Effective Date from a Responsible Officer of Holdings;

(v) financing statements, filed or duly prepared for immediate filing under the Uniform Commercial Code in all jurisdictions reasonably requested by the Administrative Agents contemporaneously with the execution of this Amendment;

(vi) an opinion from (A) Vedder Price P.C., special New York counsel to the Loans Parties, (B) Emmel & Klegerman PC, special Nevada counsel to the Loan Parties and (C) Bird & Bird, special Australian counsel to the Loan Parties, in each case, dated as of the Amendment

Effective Date, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders;

(vii) Intellectual Property Security Agreements in the form attached to the U.S. Security Agreement, covering such U.S.-registered Intellectual Property and applications therefor that do not, prior to the date hereof, have a Lien in favor of the Collateral Agent recorded against them at the United States Patent and Trademark Office, executed by the owners of such Intellectual Property; and

(viii) a Revolving Note executed by Holdings and the Australian Borrower in favor of each Revolving Credit Lender that has requested a Revolving Note.

(c) The Administrative Agent shall have received from Holdings payment in immediately available funds of all accrued costs, fees and expenses (including reasonable fees, expenses and other charges of counsel) owing to the Administrative Agent pursuant to pursuant to Section 11.04 of the Credit Agreement and Section 11.04 of the Amended Credit Agreement, as applicable, in connection with this Amendment.

(d) (i) The Administrative Agent and the Lenders shall have received at least one (1) day prior to the Amendment Effective Date all documentation and other information reasonably requested in writing by them at least two (2) days prior to the Amendment Effective Date in order to allow the Administrative Agent and the Lenders to comply with applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

(ii) At least five (5) Business Days prior to the Closing Date, any Borrower that qualifies as a "legal entity customer" under 31 C.F.R. § 1010.230 shall deliver, to each Lender that so requests, a certification regarding beneficial ownership required by 31 C.F.R. § 1010.230 (the "**Beneficial Ownership Certification**") in relation to such Borrower.

(e) All approvals, consents, exemptions, authorizations, or other actions by, or notices to, or filings with, any Governmental Authority or any other Person necessary or required for the consummation of this Amendment shall have been received.

(f) The representations and warranties contained in Article 5 of the Amended Credit Agreement shall be true and correct in all material respects, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date; *provided* that any such representations and warranties that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects.

(g) There shall not exist any action, suit, investigation, litigation, proceeding, hearing or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority that, in the reasonable opinion of the Administrative Agent, singly or in the aggregate, materially impairs this Amendment or any of the other transactions contemplated by the Loan Documents, or that could reasonably be expected to have a Material Adverse Effect.

(h) There has been no change, occurrence or development since December 31, 2016 that could reasonably be expected to have a Material Adverse Effect.

(i) No Default or Event of Default shall exist or be continuing prior to or immediately after giving effect to this Amendment.

(j) Prior to or substantially concurrently with the Amendment Effective Date, the Dutch CV Transactions shall have been consummated in full.

Notwithstanding anything herein to the contrary, for purposes of determining compliance with the conditions specified in this Section III, each Required Lender shall be deemed satisfied with each received document and each other matter required to be reasonably satisfactory to such Required Lender unless, prior to the Amendment Effective Date, the Administrative Agent receives notice from such Required Lender specifying such Required Lender’s objections.

SECTION IV.REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent, and each of the Required Lenders to enter into this Amendment and to amend and restate the Credit Agreement in the manner provided herein, each Loan Party represents and warrants on and as of the Amendment Effective Date to each of the Administrative Agent, the L/C Issuers, the Swing Line Lender and each of the Required Lenders as follows:

4.1 **Existence, Qualification and Power.** Each Loan Party (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization and (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under, this Amendment, the Amended Credit Agreement and the other Loan Documents, as applicable.

4.2 **Authorization; No Contravention.** The execution, delivery and performance by each Loan Party of this Amendment and the Amended Credit Agreement has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of such Person’s Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Material Contract to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

4.3 **Governmental Authorization; Other Consents.** No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required, except as have been obtained or made and are in full force and effect, in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment, the Amended Credit Agreement or any other Loan Document to which such Loan Party is a party.

4.4 **Binding Effect.** This Amendment and the Amended Credit Agreement have been duly executed and delivered by each of the Loan Parties party thereto. Each of this Amendment and the Amended Credit Agreement constitute a legal, valid and binding obligation of each Loan Party, enforceable against such Loan Party in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors’ rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

4.5 **<u>Incorporation of Representations and Warranties from Credit Agreement</u>.** The representations and warranties contained in Article 5 of the Amended Credit Agreement are and will be true and correct in all material respects on and as of the Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date; *provided* that any such representations and warranties that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects.

4.6 **<u>Absence of Default</u>.** No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default.

4.7 **<u>Release</u>.** The Dutch CV Transactions do not, in whole or in part, constitute a release of all or substantially all of the Collateral.

4.8 **<u>Beneficial Ownership</u>**. As of the Amendment Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

SECTION V.ACKNOWLEDGMENT AND CONSENT

Each Loan Party hereby confirms its pledges, grants of security interests and other obligations, as applicable, under and subject to the terms of each of the Loan Documents to which it is party, and agrees that, notwithstanding the effectiveness of this Amendment or any of the transactions contemplated thereby, such pledges, grants of security interests and other obligations, and the terms of each of the Loan Documents to which it is a party, as supplemented, amended, amended and restated or otherwise modified in connection with this Amendment and the transactions contemplated hereby, are not impaired or affected in any manner whatsoever and shall continue to be in full force and effect and shall continue to secure all the Obligations.

Each Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement, the Collateral Documents to which it is a party, the U.S. Obligations Guaranty and this Amendment and consents to the amendment of the Credit Agreement effected pursuant to this Amendment. Each Guarantor hereby confirms that each Loan Document to which it is a party or otherwise bound and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents the payment and performance of all "Obligations" under each of the Loan Documents to which it is a party (in each case, as such terms are defined in the applicable Loan Document).

Each Guarantor acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment.

Each Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Guarantor to any future amendments to the Amended Credit Agreement.

SECTION VI. POST-CLOSING OBLIGATION. No later than 45 days from the date hereof, the Administrative Agent shall receive a copy of the charter documents of Esselte LLC, certified as of a recent date by the Secretary of State of the State of Arizona.

SECTION VII. CONSENT TO RELEASE OF COLLATERAL. As of the Amendment Effective Date, pursuant to Section 9.10(b) of the Credit Agreement, the Required Lenders hereby provide written authorization to the Administrative Agent to release the Contributed Amount from Collateral; *provided* that the Collateral and Guaranty Requirements are satisfied with respect to ACCO Dutch Finance Holdings C.V., the general partner of ACCO Dutch Finance C.V.

SECTION VIII. MISCELLANEOUS

8.1 **Reference to and Effect on the Credit Agreement and the Other Loan Documents.**

(i) On and after the Amendment Effective Date, each reference in the Amended Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to Amended Credit Agreement.

(ii) Except as specifically amended by this Amendment, the Amended Credit Agreement and the other Loan Documents shall remain unchanged and in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Agent or Lender under, the Amended Credit Agreement or any of the other Loan Documents.

8.2 **Headings.** Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Amendment or any other Loan Document.

8.3 **Loan Document.** This Amendment shall constitute a “Loan Document” under the terms of the Amended Credit Agreement.

8.4 **Applicable Law; Miscellaneous. THIS AMENDMENT AND ALL CLAIMS OR CAUSES OF ACTION (WHETHER IN CONTRACT, TORT OR OTHERWISE) THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE IN ANY WAY HERETO OR THE NEGOTIATION, EXECUTION OR PERFORMANCE HEREOF OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.** The provisions of Section 11.14 and Section 11.15 of the Amended Credit Agreement are incorporated by reference herein and made a part hereof.

8.5 **Counterparts.** This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment.

8.6 **Further Assurances.** Each of the Loan Parties shall execute and deliver such additional documents and take such additional actions as may be reasonably requested by the Administrative Agent to effectuate the purposes of this Amendment.

8.7 **No Novation**. Each of the parties hereto acknowledges and agrees that the terms of this Amendment do not constitute a novation but, rather, an amendment of the terms of a pre-existing Indebtedness and related agreement, as evidenced by this Amendment.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

HOLDINGS AND U.S. BORROWER: **ACCO BRANDS CORPORATION**

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Senior Vice President, General Counsel and Secretary

AUSTRALIAN BORROWER:

Executed by **ACCO BRANDS AUSTRALIA HOLDING PTY. LTD.** in accordance with Section 127 of the Corporations Act 2001

/s/ Pamela R. Schneider	/s/ Neal V. Fenwick
Signature of director	Signature of director
Name: Pamela R. Schneider	Name: Neal V. Fenwick

GUARANTORS: **ACCO BRANDS CORPORATION**

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Senior Vice President, General Counsel and Secretary

ACCO BRANDS USA LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Senior Vice President, General Counsel and Secretary

GENERAL BINDING LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

ACCO BRANDS INTERNATIONAL, INC.

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

ACCO EUROPE FINANCE HOLDINGS, LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

ACCO EUROPE INTERNATIONAL HOLDINGS, LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

GBC INTERNATIONAL, INC.

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

ACCO INTERNATIONAL HOLDINGS, INC.

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

NESCHEN GBC GRAPHIC FILMS, LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Supervisory Director

ESSELTE U.S. FV, LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

ESSELTE EUROPEAN HOLDINGS LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

ESSELTE LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

ESSELTE HOLDINGS LLC

By: /s/ Pamela R. Schneider
Name: Pamela R. Schneider
Title: Vice President and Secretary

ACCO BRANDS AUSTRALIA HOLDING PTY. LTD.

____

Signature of director

Name: Pamela R. Schneider

/s/ Neal V. Fenwick

Signature of director

Name: Neal V. Fenwick

ACCO AUSTRALIA PTY. LTD.

____

Signature of director

Name: Pamela R. Schneider

/s/ Neal V. Fenwick

Signature of director

Name: Neal V. Fenwick

BANK OF AMERICA, N.A.,
as Administrative Agent and as a Lender

By: /s/ Helen Zitzman
Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Mark Holm
Name: Mark Holm
Title: Managing Director

[*Signature Page to First Amendment to Third Amended and Restated Credit Agreement*]

Barclays Bank PLC, as a Lender

By: /s/ Ritam Bhalla
Name: Ritam Bhalla
Title: Director

BMO Harris Bank N.A., as a Lender

By: /s/ Joan Murphy
Name: Joan Murphy
Title: Managing Director

Bank of Montreal, as a Lender

By: /s/ Joan Murphy
Name: Joan Murphy
Title: Managing Director

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Kristin Lenda
Name: Kristin Lenda
Title: Senior Vice President

COMPASS BANK, as a Lender

By: /s/ Daniel Feldman
Name: Daniel Feldman
Title: Senior Vice President

KeyBank National Association, as a Lender

By: /s/ Marianne T. Meil
Name: Marianne T. Meil
Title: Senior Vice President

THE NORTHERN TRUST COMPANY, as a Lender

By: /s/ John Lascody
Name: John Lascody
Title: Vice President

CIBC BANK USA, formerly known as The Private Bank and Trust Company, as a Lender

By: /s/ Patrick Osborne
Name: Patrick Osborne
Title: Associate Managing Director

EXHIBIT A

SCHEDULE 1.01C TO THE
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

Mortgaged Properties:

(1) 941 ACCO Way, Ogdensburg, New York 13669

(2) 101 O’Neil Road, Sidney, New York 13838

(3) 949 Main Street, Alexandria, Pennsylvania 16611

(4) 300 Quartet Avenue, Booneville, Mississippi 38829

Leased Real Property:

(1) Four Corporate Drive, Lake Zurich, Illinois

(2) 2830 East Philadelphia Street, Ontario, California

(3) 10150 80th Street, Kenosha, Wisconsin

(4) 10303 80th Street, Kenosha, Wisconsin

(5) 4751 Hempstead Station Drive, Kettering, Ohio

(6) 1500 Fashion Island, San Mateo, CA

(7) 8465 N. 90th Street, Suite 6, Pima Center, Scottsdale, Arizona

EXHIBIT B

SCHEDULE 2.01 TO THE
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

Commitments and Applicable Percentages

Lender	Revolving Credit Commitment	
	Commitment (in USD)	**Applicable Percentage**
Bank of America, N.A.	$140,347,364.54	28.069472908%
Wells Fargo Bank, National Association	$77,621,121.05	15.524224211%
Barclays Bank PLC	$65,504,623.99	13.100924799%
Bank of Montreal	$55,504,623.99	11.100924799%
PNC Bank, National Association	$55,504,623.99	11.100924799%
Compass Bank	$45,504,623.99	9.100924799%
KeyBank National Association	$35,000,000.00	7.000000000%
The Northern Trust Company	$12,513,018.71	2.502603742%
CIBC BANK USA, formerly known as The Private Bank and Trust Company	$12,499,999.74	2.499999948%
TOTAL	500,000,000.00	100.000000000%

Exhibit 31.1

CERTIFICATIONS

I, Boris Elisman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ACCO Brands Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Boris Elisman

Boris Elisman
Chairman, President and
Chief Executive Officer

Date**:** October 30, 2018

Exhibit 31.2

CERTIFICATIONS

I, Neal V. Fenwick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ACCO Brands Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

By: /s/ Neal V. Fenwick

Neal V. Fenwick

Executive Vice President and Chief Financial Officer

Date**:** October 30, 2018

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ACCO Brands Corporation on Form 10-Q for the period ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), I, Boris Elisman, Chief Executive Officer of ACCO Brands Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ACCO Brands Corporation.

By: /s/ Boris Elisman

Boris Elisman

Chairman, President and
Chief Executive Officer

Date: October 30, 2018

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ACCO Brands Corporation on Form 10-Q for the period ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), I, Neal V. Fenwick, Chief Financial Officer of ACCO Brands Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ACCO Brands Corporation.

By: /s/ Neal V. Fenwick

Neal V. Fenwick
Executive Vice President and
Chief Financial Officer

Date: October 30, 2018