

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 third twelve week accounting period ended September 8, 2007

OR

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: 001-06024

WOLVERINE WORLD WIDE, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

38-1185150

(State or Other Jurisdiction of Incorporation or Organization)

(IRS Employer Identification No.)

9341 Courtland Drive, Rockford, Michigan

49351

(Address of Principal Executive Offices)

(Zip Code)

(616) 866-5500

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

There were 61,038,791 shares of Common Stock, \$1 par value, outstanding as of October 12, 2007, of which 8,781,316 shares are held as Treasury Stock.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the footwear business, worldwide economics and the Company itself including, without limitation, statements regarding the effect on earnings of a future hedge termination or determination of hedge ineffectiveness, expected length of time that stock options will remain outstanding, results of tax audits, the effect of litigation, the effect of the adoption of new accounting standards, timing or acceptance of new products, future progress toward achieving the Company's strategic growth plan, expected cash flow, expected share repurchase activity, the use of excess cash flows, future revenues, earnings and marketing, statements in Part I, Item 2 regarding the overview and the Company's financial condition, liquidity and capital resources and statements in Part I, Item 3 regarding market risk. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "is likely," "plans," "predicts," "projects," "should," "will," variations of such words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Risk Factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements.

Risk Factors include, but are not limited to, uncertainties relating to changes in demand for the Company's products; changes in consumer preferences or spending patterns; the cost and availability of inventories, services, labor and equipment furnished to the Company; the cost and availability of contract manufacturers; the cost and availability of raw materials, including leather and petroleum based materials; changes in planned consumer demand or at-once orders; customer order cancellations; the impact of competition and pricing by the Company's competitors; changes in government and regulatory policies; foreign currency fluctuation in valuations compared to the U.S. dollar; changes in monetary controls and valuations of the Chinese yuan renminbi and the relative value to the U.S. dollar; changes in duty structures in countries of import and export; changes in interest rates, tax laws, duties, tariffs, quotas or applicable assessments; technological developments; changes in local, domestic or international economic and market conditions; the size and growth of footwear markets; service interruptions at shipping and receiving ports; changes in the amount, severity or timing of inclement weather; changes due to the growth of Internet commerce; popularity of particular designs and categories of footwear; the ability of the Company to manage and forecast its growth and inventories; the ability to secure and protect trademarks, patents and other intellectual property; integration of operations of newly acquired businesses; changes in business strategy or development plans; the Company's ability to adapt and compete in global apparel and accessory markets; customer acceptance of new initiatives including Patagonia® Footwear and Merrell® Apparel; the ability to attract and retain qualified personnel; the ability to retain rights to brands licensed by the Company; loss of significant customers; relationships with international distributors and licensees; the Company's ability to meet at-once orders; the exercise of future purchase options by the U.S. Department of Defense on previously awarded contracts; the risk of doing business in developing countries and economically volatile areas; retail buying patterns; increased competition from private label brands; consolidation in the retail sector; and the acceptability of U.S. brands in international markets. Additionally, concerns regarding acts of terrorism, the war in Iraq and subsequent events have created significant global economic and political uncertainties that may have material and adverse effects on consumer demand, foreign sourcing of footwear, shipping and transportation, product imports and exports and the sale of products in foreign markets. These matters are representative of the Risk Factors that could cause a difference between an ultimate actual outcome and a forward-looking statement. Additional Risk Factors are identified in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2006, including in Item 1A. Historical operating results are not necessarily indicative of the results that may be expected in the future. The Risk Factors included here are not exhaustive. Other Risk Factors exist, and new Risk Factors emerge from time-to-time, that may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Furthermore, the Company undertakes no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

Consolidated Condensed Balance Sheets
(Thousands of dollars)

	September 8, 2007 (Unaudited)	December 30, 2006 (Audited)	September 9, 2006 (Unaudited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 24,770	\$ 124,663	\$ 70,339
Accounts receivable, less allowances			
September 8, 2007 - \$15,072			
December 30, 2006 - \$13,320			
September 9, 2006 - \$12,030	235,525	152,608	218,034
Inventories:			
Finished products	182,134	168,603	189,135
Raw materials and work in process	16,184	15,656	16,183
	<u>198,318</u>	<u>184,259</u>	<u>205,318</u>
Other current assets	25,616	23,783	20,480
TOTAL CURRENT ASSETS	<u>484,229</u>	<u>485,313</u>	<u>514,171</u>
PROPERTY, PLANT AND EQUIPMENT			
Gross cost	284,368	277,723	273,454
Less accumulated depreciation	198,342	189,771	184,059
	<u>86,026</u>	<u>87,952</u>	<u>89,395</u>
OTHER ASSETS			
Goodwill and other non-amortizable intangibles	48,238	47,282	46,089
Other	53,920	50,545	66,615
	<u>102,158</u>	<u>97,827</u>	<u>112,704</u>
TOTAL ASSETS	<u>\$ 672,413</u>	<u>\$ 671,092</u>	<u>\$ 716,270</u>

See notes to consolidated condensed financial statements

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

**Consolidated Condensed Balance Sheets - continued
(Thousands of dollars, except share data)**

	September 8, 2007 (Unaudited)	December 30, 2006 (Audited)	September 9, 2006 (Unaudited)
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 56,037	\$ 47,420	\$ 63,393
Accrued salaries and wages	17,836	19,254	16,138
Other accrued liabilities	67,587	43,511	66,545
Current maturities of long-term debt	10,730	10,730	10,730
TOTAL CURRENT LIABILITIES	152,190	120,915	156,806
Long-term debt (less current maturities)	10,731	10,741	21,461
Other non-current liabilities	36,052	34,877	39,976
STOCKHOLDERS' EQUITY			
Common stock - par value \$1, authorized 160,000,000 shares; shares issued (including shares in treasury):			
September 8, 2007 - 61,002,928 shares			
December 30, 2006 - 60,468,000 shares			
September 9, 2006 - 60,267,325 shares	61,003	60,468	60,267
Additional paid-in capital	43,936	31,341	26,198
Retained earnings	572,338	519,815	500,253
Accumulated other comprehensive income	10,094	3,923	13,999
Cost of shares in treasury:			
September 8, 2007 - 8,656,877 shares			
December 30, 2006 - 5,005,487 shares			
September 9, 2006 - 4,707,786 shares	(213,931)	(110,988)	(102,690)
TOTAL STOCKHOLDERS' EQUITY	473,440	504,559	498,027
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 672,413	\$ 671,092	\$ 716,270

() - Denotes deduction
See notes to consolidated condensed financial statements

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

Consolidated Condensed Statements of Operations
(Thousands of dollars, except share data)
(Unaudited)

	12 Weeks Ended		36 Weeks Ended	
	September 8, 2007	September 9, 2006	September 8, 2007	September 9, 2006
Revenue	\$ 310,168	\$ 298,856	\$ 841,549	\$ 800,150
Cost of products sold	185,216	181,314	507,068	486,329
GROSS MARGIN	124,952	117,542	334,481	313,821
Selling and administrative expenses	80,548	78,079	233,845	223,063
OPERATING INCOME	44,404	39,463	100,636	90,758
Other expenses/(income):				
Interest expense	503	736	1,453	2,060
Interest income	(682)	(858)	(2,426)	(2,044)
Other - net	252	452	424	917
	73	330	(549)	933
EARNINGS BEFORE INCOME TAXES	44,331	39,133	101,185	89,825
Income taxes	14,848	12,993	33,895	29,823
NET EARNINGS	\$ 29,483	\$ 26,140	\$ 67,290	\$ 60,002
Net earnings per share:				
Basic	\$.56	\$.48	\$ 1.26	\$ 1.09
Diluted	\$.54	\$.46	\$ 1.21	\$ 1.05
Cash dividends per share	\$.090	\$.075	\$.270	\$.225
Shares used for net earnings per share computation:				
Basic	52,349,773	54,679,032	53,447,264	54,899,930
Diluted	54,184,736	56,651,435	55,432,766	56,907,090

See notes to consolidated condensed financial statements

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Statement of Stockholders' Equity
(Thousands of dollars, except share data)
(Unaudited)

	36 Weeks Ended
	September 8, 2007
COMMON STOCK	
Balance at beginning of the year	\$ 60,468
Common stock issued under stock incentive plans	535
	61,003
Balance at end of the quarter	\$ 61,003
ADDITIONAL PAID-IN CAPITAL	
Balance at beginning of the year	\$ 31,341
Stock-based compensation expense	5,943
Common stock issued under stock incentive plans	6,810
Net change in notes receivable	(158)
	43,936
Balance at end of the quarter	\$ 43,936
RETAINED EARNINGS	
Balance at beginning of the year	\$ 519,815
Net earnings	67,290
Cash dividends declared	(14,258)
Cumulative effect of adopting FIN 48 (See Note 9)	(509)
	572,338
Balance at end of the quarter	\$ 572,338
ACCUMULATED OTHER COMPREHENSIVE INCOME	
Balance at beginning of the year	\$ 3,923
Foreign currency translation adjustments	7,654
Change in fair value of foreign currency cash flow hedges, net of taxes	(1,483)
	10,094
Balance at end of the quarter	\$ 10,094
COST OF SHARES IN TREASURY	
Balance at beginning of the year	\$ (110,988)
Repurchase of common stock for treasury (3,661,431 shares)	(103,179)
Issuance of treasury shares (10,041 shares)	236
	(213,931)
Balance at end of the quarter	\$ (213,931)
TOTAL STOCKHOLDERS' EQUITY AT END OF THE QUARTER	\$ 473,440

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

**Consolidated Condensed Statements of Cash Flows
(Thousands of dollars)
(Unaudited)**

	36 Weeks Ended	
	September 8, 2007	September 9, 2006
OPERATING ACTIVITIES		
Net earnings	\$ 67,290	\$ 60,002
Adjustments necessary to reconcile net earnings to net cash provided by operating activities:		
Depreciation	13,502	13,834
Amortization	700	467
Deferred income taxes	(1,141)	132
Stock-based compensation expense	5,943	5,016
Excess tax benefits from stock-based compensation	(2,440)	(3,208)
Pension	1,304	3,623
Other	1,006	(1,605)
Changes in operating assets and liabilities:		
Accounts receivable	(78,328)	(57,918)
Inventories	(11,544)	(40,500)
Other assets	(3,986)	(2,537)
Accounts payable and other liabilities	28,665	52,173
	<hr/>	<hr/>
Net cash provided by operating activities	20,971	29,479
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(11,561)	(10,265)
Other	(1,065)	(1,463)
	<hr/>	<hr/>
Net cash used in investing activities	(12,626)	(11,728)
FINANCING ACTIVITIES		
Proceeds from long-term debt	64,833	59,851
Payments of long-term debt	(64,843)	(60,072)
Cash dividends paid	(13,751)	(11,923)
Purchase of common stock for treasury	(103,179)	(36,610)
Proceeds from shares issued under stock incentive plans	4,412	10,838
Excess tax benefits from stock-based compensation	2,440	3,208
	<hr/>	<hr/>
Net cash used in financing activities	(110,088)	(34,708)
Effect of foreign exchange rate changes	1,850	2,038
	<hr/>	<hr/>
DECREASE IN CASH AND CASH EQUIVALENTS	(99,893)	(14,919)
Cash and cash equivalents at beginning of the period	124,663	85,258
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	\$ 24,770	\$ 70,339
	<hr/>	<hr/>

() - Denotes reduction in cash and cash equivalents
See notes to consolidated condensed financial statements

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

Notes to Consolidated Condensed Financial Statements September 8, 2007 and September 9, 2006

1. Summary of Significant Accounting Policies

NATURE OF OPERATIONS

Wolverine World Wide, Inc. (NYSE: WWW) is a leading designer, manufacturer and marketer of a broad line of quality casual shoes, performance outdoor footwear, apparel, work shoes and boots, and uniform shoes and boots. The Company's global portfolio of owned and licensed brands includes: Bates®, Cat® Footwear, Harley-Davidson® Footwear, Hush Puppies®, HYTEST®, Merrell®, Patagonia® Footwear, Sebago®, Stanley® Footgear and Wolverine®. Licensing programs and certain owned wholesale operations are utilized to extend the Company's owned brands into product categories beyond footwear. The Company also operates a retail division to showcase its brands and branded footwear and apparel from other manufacturers, a tannery that produces Wolverine® Performance Leathers™ and a pigskin procurement operation.

BASIS OF PRESENTATION

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for a complete presentation of the financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included in the accompanying financial statements. For further information, refer to the consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2006.

REVENUE RECOGNITION

Revenue is recognized on the sale of products manufactured or sourced by the Company when the related goods have been shipped, legal title has passed to the customer and collectibility is reasonably assured. Revenue generated through programs with licensees and distributors involving products bearing the Company's trademarks is recognized as earned according to stated contractual terms upon either the purchase or shipment of branded products by licensees and distributors.

The Company records provisions against gross revenue for estimated stock returns and cash discounts in the period when the related revenue is recorded. These estimates are based on factors that include, but are not limited to, historical stock returns, historical discounts taken and analysis of credit memorandum activity.

COST OF PRODUCTS SOLD

Cost of products sold for the Company's operations include the actual product costs, including inbound freight charges, purchasing, sourcing, inspection and receiving costs. Warehousing costs are included in selling and administrative expenses.

SEASONALITY

The Company's business is subject to seasonal influences and has twelve weeks in each of the first three quarters and sixteen or seventeen weeks in the fourth quarter. Both factors can cause significant differences in revenue, earnings and cash flows from quarter to quarter; however, the differences have followed a consistent pattern in previous years.

RECLASSIFICATIONS

Certain prior period amounts on the consolidated condensed financial statements have been reclassified to conform to current period presentation. These reclassifications did not affect net earnings.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

**Notes to Consolidated Condensed Financial Statements - continued
September 8, 2007 and September 9, 2006**

2. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	12 Weeks Ended		36 Weeks Ended	
	September 8, 2007	September 9, 2006	September 8, 2007	September 9, 2006
Weighted average shares outstanding	52,953,299	55,462,899	54,119,733	55,713,710
Adjustment for nonvested restricted common stock	(603,526)	(783,867)	(672,469)	(813,780)
Denominator for basic earnings per share	52,349,773	54,679,032	53,447,264	54,899,930
Effect of dilutive stock options	1,466,954	1,533,031	1,575,659	1,571,925
Adjustment for nonvested restricted common stock - treasury method	368,009	439,372	409,843	435,235
Denominator for diluted earnings per share	54,184,736	56,651,435	55,432,766	56,907,090

Options to purchase 622,870 and 523,336 shares of common stock for the 12 and 36 weeks ended September 8, 2007 and 574,761 and 568,088 shares for the 12 and 36 weeks ended September 9, 2006 have not been included in the denominator for the computation of diluted earnings per share because the related exercise prices were greater than the average market price for the period and, therefore, they were anti-dilutive.

3. Goodwill and Other Non-Amortizable Intangibles

The changes in the net carrying amounts of goodwill and trademarks are as follows (thousands of dollars):

	Goodwill	Trademarks	Total
Balance at September 9, 2006	\$ 37,685	\$ 8,404	\$ 46,089
Intangibles acquired	-	220	220
Trademark disposals	-	(118)	(118)
Foreign currency translation effects	1,091	-	1,091
Balance at December 30, 2006	38,776	8,506	47,282
Foreign currency translation effects	956	-	956
Balance at September 8, 2007	\$ 39,732	\$ 8,506	\$ 48,238

4. Comprehensive Income

Comprehensive income represents net earnings and any revenue, expenses, gains and losses that, under accounting principles generally accepted in the United States, are excluded from net earnings and recognized directly as a component of stockholders' equity.

The ending accumulated other comprehensive income is as follows (thousands of dollars):

	September 8, 2007	December 30, 2006	September 9, 2006
Foreign currency translation adjustments	\$ 29,444	\$ 21,790	\$ 18,788
Foreign currency cash flow hedge adjustments, net of taxes	(2,531)	(1,048)	(1,336)
Pension adjustments, net of taxes	(16,819)	(16,819)	(3,453)
Accumulated other comprehensive income	\$ 10,094	\$ 3,923	\$ 13,999

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

**Notes to Consolidated Condensed Financial Statements - continued
September 8, 2007 and September 9, 2006**

The reconciliation from net earnings to comprehensive income is as follows (thousands of dollars):

	12 Weeks Ended		36 Weeks Ended	
	September 8, 2007	September 9, 2006	September 8, 2007	September 9, 2006
Net earnings	\$ 29,483	\$ 26,140	\$ 67,290	\$ 60,002
Other comprehensive income (loss):				
Foreign currency translation adjustments	3,894	960	7,654	6,545
Change in fair value of foreign currency cash flow hedges, net of taxes	(643)	236	(1,483)	(1,944)
Comprehensive income	\$ 32,734	\$ 27,336	\$ 73,461	\$ 64,603

5. Business Segments

The Company has one reportable segment that is engaged in manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories to the retail sector, including casual shoes, dress shoes, performance outdoor footwear, boots, uniform shoes, work shoes, and apparel and accessories. Revenue of this segment is derived from the sale of branded footwear and apparel to external customers as well as royalty income from the licensing of the Company's trademarks and brand names to licensees and distributors. The business units comprising the branded footwear, apparel and licensing segment manufacture or source, market and distribute products in a similar manner. Branded footwear, apparel and licensed products are distributed through wholesale channels and under licensing and distributor arrangements.

The other business units in the following table consist of the Company's retail, tannery and pigskin procurement operations. The Company operated 87 domestic retail stores and 19 consumer-direct Internet sites at September 8, 2007 that sell Company-manufactured and sourced products, as well as footwear and apparel manufactured by unaffiliated companies. The other business units distribute products through retail and wholesale channels.

There have been no material changes in the way the Company measures segment profits or in its basis of determining business segments.

Business segment information is as follows (thousands of dollars):

	Branded Footwear, Apparel and Licensing	Other Businesses	Corporate	Consolidated
12 Weeks Ended September 8, 2007				
Revenue	\$ 290,239	\$ 19,929	\$ -	\$ 310,168
Intersegment revenue	12,849	578	-	13,427
Earnings (loss) before income taxes	48,012	(681)	(3,000)	44,331
Total assets	511,670	50,043	110,700	672,413
36 Weeks Ended September 8, 2007				
Revenue	\$ 777,075	\$ 64,474	\$ -	\$ 841,549
Intersegment revenue	31,068	1,859	-	32,927
Earnings (loss) before income taxes	110,628	(491)	(8,952)	101,185
Total assets	511,670	50,043	110,700	672,413

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

**Notes to Consolidated Condensed Financial Statements - continued
September 8, 2007 and September 9, 2006**

	Branded Footwear and Licensing	Other Businesses	Corporate	Consolidated
<hr/>				
12 Weeks Ended September 9, 2006				
Revenue	\$ 274,697	\$ 24,159	\$ -	\$ 298,856
Intersegment revenue	10,775	496	-	11,271
Earnings (loss) before income taxes	43,113	1,351	(5,331)	39,133
Total assets	522,128	40,876	153,266	716,270
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36 Weeks Ended September 9, 2006				
Revenue	\$ 729,024	\$ 71,126	\$ -	\$ 800,150
Intersegment revenue	28,665	2,139	-	30,804
Earnings (loss) before income taxes	99,166	3,803	(13,144)	89,825
Total assets	522,128	40,876	153,266	716,270

6. Financial Instruments and Risk Management

The Company's financial instruments consist of cash and cash equivalents, accounts and notes receivable, accounts and notes payable and long-term debt. The Company's estimate of the fair values of these financial instruments approximates their carrying amounts at September 8, 2007. Fair value was determined using discounted cash flow analyses and current interest rates for similar instruments. The Company does not hold or issue financial instruments for trading purposes.

The Company follows Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS Nos. 137 and 138, which requires that all derivative instruments be recorded on the consolidated condensed balance sheets at fair value and establishes criteria for designation and effectiveness of hedging relationships. The Company utilizes foreign currency forward exchange contracts to manage the volatility associated with foreign currency inventory purchases made by non-U.S. wholesale operations in the normal course of business. At September 8, 2007 and September 9, 2006, foreign exchange contracts with a notional value of \$39,501,000 and \$36,476,000, respectively, were outstanding to purchase various currencies (principally U.S. dollars) with maturities ranging up to 252 days. These contracts have been designated as cash flow hedges. As of September 8, 2007 and September 9, 2006, liabilities of \$1,912,000 and \$295,000, respectively, have been recognized for the fair value of the foreign exchange contracts.

The fair value of the foreign currency forward exchange contracts represents the estimated receipts or payments necessary to terminate the contracts. Hedge effectiveness is evaluated by the hypothetical derivative method. Any hedge ineffectiveness is reported within the cost of products sold caption of the consolidated condensed statements of operations. Hedge ineffectiveness was not material to the consolidated condensed financial statements for the quarters ended September 8, 2007 and September 9, 2006. If, in the future, the foreign exchange contracts are determined to be ineffective hedges or terminated before their contractual termination dates, the Company would be required to reclassify into earnings all or a portion of the unrealized amounts related to the cash flow hedges that are currently included in accumulated other comprehensive income within stockholders' equity.

The Company does not generally require collateral or other security on trade accounts and notes receivable.

7. Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the fair value recognition provisions of SFAS No. 123(R), *Share-Based Payment*. The Company recognized compensation costs of \$1,785,000 and \$5,943,000, respectively, and related income tax benefits of \$452,000 and \$1,528,000, respectively, for its stock-based compensation plans in the statements of operations for the 12 and 36 weeks ended September 8, 2007. For the 12 and 36 weeks ended September 9, 2006, the Company recognized compensation costs of \$1,680,000 and \$5,016,000, respectively, and related income tax benefits of \$429,000 and \$1,410,000, respectively, for its stock-based compensation plans.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

**Notes to Consolidated Condensed Financial Statements - continued
September 8, 2007 and September 9, 2006**

Stock-based compensation expense recognized in the consolidated condensed statements of operations for the 12 and 36 weeks ended September 8, 2007 and September 9, 2006 has been reduced for estimated forfeitures, as it is based on awards ultimately expected to vest. SFAS No. 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience.

The Company estimated the fair value of employee stock options on the date of grant using the Black-Scholes model. The estimated weighted-average fair value for each option granted during the 12 and 36 weeks ended September 8, 2007 was \$6.59 and \$6.87 per share, respectively, and \$5.66 and \$5.26 per share during the 12 and 36 weeks ended September 9, 2006, respectively, with the following weighted-average assumptions:

	12 Weeks Ended		36 Weeks Ended	
	September 8, 2007	September 9, 2006	September 8, 2007	September 9, 2006
Expected market price volatility ⁽¹⁾	23.7%	24.6%	23.3%	24.5%
Risk-free interest rate ⁽²⁾	4.9%	5.1%	4.8%	4.6%
Dividend yield ⁽³⁾	1.3%	1.4%	1.4%	1.4%
Expected term ⁽⁴⁾	4 years	4 years	4 years	4 years

(1) Based on historical volatility of the Company's common stock. The expected volatility is based on the daily percentage change in the price of the stock over four years.

(2) Represents the U.S. Treasury yield curve in effect for the expected term of the option at the time of grant.

(3) Represents the Company's cash dividend yield for the expected term.

(4) Represents the period of time that options granted are expected to be outstanding. The Company determined that all employee groups exhibit similar exercise and post-vesting termination behavior to determine the expected term.

8. Pension Expense

A summary of net pension and Supplemental Executive Retirement Plan expense recognized by the Company is as follows (thousands of dollars):

	12 Weeks Ended		36 Weeks Ended	
	September 8, 2007	September 9, 2006	September 8, 2007	September 9, 2006
Service cost pertaining to benefits earned during the period	\$ 1,119	\$ 1,113	\$ 3,411	\$ 3,340
Interest cost on projected benefit obligations	2,540	2,340	7,681	7,018
Expected return on pension assets	(3,235)	(2,972)	(9,815)	(8,914)
Net amortization loss	1,284	1,861	3,853	5,582
Net pension expense	\$ 1,708	\$ 2,342	\$ 5,130	\$ 7,026

9. Accounting for Uncertainty in Income Taxes

The Company adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement No. 109*, on the first day of fiscal year 2007, December 31, 2006. Prior to adoption of FIN 48, the Company had unrecognized tax benefits of \$1,599,000. As a result of the implementation of FIN 48, the Company recognized an increase in the liability for unrecognized tax benefits of \$369,000, which was accounted for as reduction to the December 31, 2006 balance of retained earnings. Including this cumulative effect adjustment, the Company had unrecognized tax benefits of \$2,138,000 as of September 8, 2007. If recognized currently, the effective tax rate would have been affected by the unrecognized tax benefits.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

Notes to Consolidated Condensed Financial Statements - continued September 8, 2007 and September 9, 2006

The Company recognizes interest and penalties related to unrecognized tax benefits through interest expense and income tax expense, respectively. The Company has accrued approximately \$140,000 for interest as part of the cumulative effect of implementing the provisions of FIN 48, which was accounted for as reduction to the December 31, 2006 balance of retained earnings. Interest during the quarter ended September 8, 2007 was not significant.

The Company is subject to periodic audits by domestic and foreign tax authorities. Currently, the Company is undergoing routine periodic audits in both domestic and foreign tax jurisdictions. It is reasonably possible that the amounts of unrecognized tax benefits could change in the next 12 months as a result of the audits; however, any payment of tax is not expected to be significant to the consolidated financial statements.

For the majority of tax jurisdictions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2003.

10. Litigation and Contingencies

The Company is involved in various environmental claims and other legal actions arising in the normal course of business. The environmental claims include sites where the Environmental Protection Agency has notified the Company that it is a potentially responsible party with respect to environmental remediation. These remediation claims are subject to ongoing environmental impact studies, assessment of remediation alternatives, allocation of costs between responsible parties and concurrence by regulatory authorities and have not yet advanced to a stage where the Company's liability is fixed. However, after taking into consideration legal counsel's evaluation of all actions and claims against the Company, management is currently of the opinion that their outcome will not have a material effect on the Company's consolidated financial position or future results of operations.

The Company is involved in routine litigation incidental to its business and is a party to legal actions and claims, including, but not limited to, those related to employment and intellectual property. Some of the legal proceedings include claims for compensatory as well as punitive damages. While the final outcome of these matters cannot be predicted with certainty, considering, among other things, the meritorious legal defenses available and liabilities that have been recorded along with applicable insurance, it is currently the opinion of the Company's management that none of these items will have a material adverse effect on the results of operations, financial condition or liquidity of the Company in a particular year.

Pursuant to certain of the Company's lease agreements, the Company has provided financial guarantees to third parties in the form of indemnification provisions. These provisions indemnify and reimburse third parties for costs, including but not limited to adverse judgments in lawsuits, taxes and operating costs. The terms of the guarantees are identical to the terms of the related lease agreements. The Company is not able to calculate the maximum potential amount of future payments it could be required to make under these guarantees, as the potential payments are dependent upon the occurrence of future unknown events.

The Company has future minimum royalty obligations due under the terms of certain licenses held by the Company. These minimum future obligations on licenses are as follows (thousands of dollars):

	2007	2008	2009	2010	2011	Thereafter
Minimum royalties	\$ 1,152	\$1,062	\$1,328	\$1,544	\$1,772	\$ 970

Minimum royalties are based on both fixed obligations and assumptions related to the consumer price index. Royalty obligations in excess of minimum requirements are based upon future sales levels. In accordance with these agreements, the Company incurred royalty expense of \$2,648,000 and \$2,223,000 for the first three quarters of 2007 and 2006, respectively.

The terms of certain license agreements also require advertising expenditures based on the level of sales. In accordance with these agreements, the Company's advertising obligations, based on actual sales, totaled \$1,661,000 and \$1,392,000 for the first three quarters of 2007 and 2006, respectively.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

**Notes to Consolidated Condensed Financial Statements - continued
September 8, 2007 and September 9, 2006**

11. New Accounting Standards

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 establishes a framework for measuring the fair value of assets and liabilities. This framework is intended to provide increased consistency in how fair value determinations are made under various existing accounting standards that permit, or in some cases require, estimates of fair market value. SFAS No. 157 also expands financial statement disclosure requirements about a company's use of fair value measurements, including the effect of such measures on earnings. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 (fiscal year 2008 for the Company). The adoption is not expected to have a material impact on the Company's consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115* ("SFAS No. 159"). SFAS No. 159 allows companies to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007 (fiscal year 2008 for the Company). While the Company is currently evaluating the provisions of SFAS No. 159, the adoption is not expected to have a material impact on its consolidated financial statements.

In June 2007, the FASB ratified the consensus on Emerging Issues Task Force (EITF) Issue No. 06-11, *Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards* ("EITF 06-11"). EITF 06-11 requires companies to recognize the income tax benefit realized from dividends or dividend equivalents that are charged to retained earnings and paid to employees for non-vested equity-classified employee share-based payment awards as an increase to additional paid-in capital. EITF 06-11 is effective for fiscal years beginning after September 15, 2007 (fiscal year 2008 for the Company). The adoption is not expected to have a material impact on the Company's consolidated financial statements.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Wolverine World Wide, Inc. (the "Company") continues to evolve from a leading global marketer of branded footwear into a global multi-branded footwear and apparel company. The Company's goal is articulated in its strategic vision - "To Excite Consumers Around the World with Innovative Footwear and Apparel that Bring Style to Purpose." The Company intends to achieve this goal by extending key brands beyond footwear, strengthening the global brand portfolio, pursuing product excellence, leveraging global supply chain management and managing brands' presence at retail. The Company is focused on delivering long-term financial objectives of achieving mid-to-upper single digit average annual revenue growth, annual double digit earnings per share increases, improved asset utilization and strong cash generation.

The following represent the financial performance highlights of the third quarter of 2007 compared to the third quarter of 2006:

- Record revenue and earnings per share for the 21st consecutive quarter.
- Revenue for the third quarter of 2007 of \$310.2 million, a 3.8% increase over the third quarter of 2006 revenue of \$298.9 million.
- Diluted earnings per share during the third quarter of 2007 grew to \$.54 per share compared to \$.46 per share for the same quarter in the prior year, an increase of 17.4%.
- Cash collections remained strong as days sales outstanding decreased from the prior year to 57.0 days.
- Inventory levels were reduced by \$7.0 million, a 3.4% reduction in the third quarter of 2007 compared to the same quarter in the prior year.
- Inventory turns decreased to 3.6 turns in the third quarter of 2007 in comparison to 3.7 turns in the third quarter of 2006 as a result of higher inventory balances earlier in the year.
- The Company ended the third quarter of 2007 with \$24.8 million of cash on hand and debt outstanding of \$21.5 million.
- During the third quarter of 2007, the Company utilized \$32.2 million of cash to repurchase 1.2 million shares of stock under its share repurchase program.

The following is a discussion of the Company's results of operations and liquidity and capital resources for the third quarter of 2007. This section should be read in conjunction with the consolidated condensed financial statements and notes.

Results of Operations - Comparison of the 12 Weeks Ended September 8, 2007 (2007 Third Quarter) to the 12 Weeks Ended September 9, 2006 (2006 Third Quarter)

Financial Summary - 2007 Third Quarter versus 2006 Third Quarter

	2007		2006		Change	
	\$	%	\$	%	\$	%
<i>(Millions of dollars, except per share data)</i>						
Revenue						
Branded footwear, apparel and licensing	\$ 290.3	93.6%	\$ 274.7	91.9%	\$ 15.6	5.7%
Other business units	19.9	6.4%	24.2	8.1%	(4.3)	(17.5%)
Total revenue	\$ 310.2	100.0%	\$ 298.9	100.0%	\$ 11.3	3.8%
Gross margin						
Branded footwear, apparel and licensing	\$ 117.8	40.6%	\$ 108.7	39.6%	\$ 9.1	8.3%
Other business units	7.2	36.2%	8.8	36.7%	(1.6)	(18.6%)
Total gross margin	\$ 125.0	40.3%	\$ 117.5	39.3%	\$ 7.5	6.3%
Selling and administrative expenses	\$ 80.6	26.0%	\$ 78.1	26.1%	\$ 2.5	3.2%
Interest income - net	(.2)	(.1%)	(.1)	.0%	(.1)	46.7%
Other expense - net	.3	.1%	.4	.2%	(.1)	(44.2%)
Earnings before income taxes	44.3	14.3%	39.1	13.1%	5.2	13.3%
Net earnings	29.5	9.5%	26.1	8.7%	3.4	12.8%
Diluted earnings per share	\$.54		\$.46		\$.08	17.4%

The Company has one reportable segment that is engaged in manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories. Within the branded footwear, apparel and licensing segment, the Company has identified five operating units, consisting of the Outdoor Group (comprised of the Merrell®, Sebago® and Patagonia® Footwear brands), the Wolverine Footwear Group (comprised of the Wolverine®, HYTEST®, Bates® Footwear and Stanley® Footgear brands and certain private label branded products), the Heritage Brands Group (comprised of Cat® Footwear and Harley-Davidson® Footwear), The Hush Puppies Company, and Other Branded Footwear. The Company's other business units consist of Wolverine Retail and Wolverine Leathers (comprised of the tannery and procurement operations). The following is supplemental information on total revenue:

Total Revenue - Third Quarter

	2007		2006		Change	
	\$	%	\$	%	\$	%
<i>(Millions of dollars)</i>						
Outdoor Group	\$ 121.8	39.3%	\$ 101.8	34.1%	\$ 20.0	19.6%
Wolverine Footwear Group	61.8	19.9%	67.5	22.6%	(5.7)	(8.4%)
Heritage Brands Group	56.2	18.1%	56.4	18.9%	(.2)	(.4%)
The Hush Puppies Company	47.7	15.4%	46.8	15.7%	.9	1.9%
Other Branded Footwear	2.8	.9%	2.2	.7%	.6	29.7%
Total branded footwear, apparel and licensing revenue	\$ 290.3	93.6%	\$ 274.7	91.9%	\$ 15.6	5.7%
Other business units	19.9	6.4%	24.2	8.1%	(4.3)	(17.5%)

Total revenue \$ 310.2 100.0% \$ 298.9 100.0% \$ 11.3 3.8%

REVENUE

Revenue of \$310.2 million for the third quarter of 2007 exceeded the prior year third quarter by \$11.3 million. Increases in unit volume, changes in product mix and changes in selling price for the branded footwear, apparel and licensing operations as discussed below contributed \$4.9 million of the revenue increase. The impact of translating foreign denominated revenue to U.S. dollars increased revenue by \$6.4 million. The other business units' revenue decreased by \$4.3 million. International revenue accounted for 39.9% of total revenue in the third quarter of 2007 as compared to 40.6% in the third quarter of 2006.

The Outdoor Group recorded revenue of \$121.8 million for the third quarter of 2007, a \$20.0 million increase over the third quarter of the prior year. Merrell® accounted for \$15.0 million of the increase over the prior year, as a result of strong footwear shipments in the Outventure product categories and the launch of the Merrell® Apparel business. The Sebago® brand realized a \$1.2 million revenue increase from the third quarter of 2006 as consumers continued to respond favorably to the refocused product line. Patagonia® Footwear, which was initially introduced for the 2007 Spring season, contributed \$3.8 million in revenue in the third quarter of 2007.

The Wolverine Footwear Group recorded \$61.8 million in revenue for the third quarter of 2007, a \$5.7 million decrease from the third quarter of 2006. The Wolverine® business realized an increase in revenue of \$4.1 million during the third quarter of 2007 compared to the third quarter of 2006, which was partially driven by new footwear product incorporating the Wolverine® MultiShox™ and CarbonMax™ safety toe technologies and the launch of the Wolverine® Apparel business. The Bates® uniform footwear business recognized a decrease in revenue of \$2.8 million in the quarter due to a planned reduction in demand from the U.S. Department of Defense. During the third quarter of 2007, the Stanley® Footgear and private label businesses accounted for \$1.8 million and \$5.2 million of the revenue decrease, respectively, due to the planned phase-out of the businesses.

The Heritage Brands Group experienced a \$.2 million decrease in revenue during the third quarter of 2007 compared to the third quarter of 2006. Cat® Footwear's revenue decreased \$2.5 million from the third quarter of 2006 due principally to difficult retail conditions and changes in the fashion trends away from core product offerings in Canada and Europe. Harley-Davidson® Footwear revenue increased \$2.3 million in the quarter driven by improved retail sales and repeat customer orders in the U.S. business.

The Hush Puppies Company recorded revenue of \$47.7 million in the third quarter of 2007, a \$.9 million increase from the third quarter of 2006. The increase was primarily attributable to strong growth of \$1.0 million in the United Kingdom market due to positive consumer response to Fall product offerings. The U.S. business recognized an increase in revenue of \$.2 million in the third quarter of 2007. International licensing reported a revenue increase of \$.9 million in the third quarter of 2007 due to strong sales of global products. These increases were partially offset by a \$.2 million decrease in revenue in the Canadian market and a \$1.0 million revenue decrease from the planned phase out of the Hush Puppies slipper product line.

Within the Company's other business units, Wolverine Retail reported a \$.3 million increase in revenue as a result of seven additional stores operating compared to the prior year's third quarter while recognizing a low single-digit same-store revenue decrease. Wolverine Retail operated 87 retail stores at the end of third quarter 2007 compared to 80 at the end of third quarter 2006. The Wolverine® Leathers operation reported a \$4.6 million decrease in revenue in the quarter primarily due to decreased demand for its suede products.

GROSS MARGIN

The gross margin of 40.3% for the third quarter of 2007 was a 100 basis point increase from the third quarter of 2006. Benefits from favorable foreign exchange contract rates associated with the Company's foreign entity inventory purchases had a positive impact of 80 basis points. A favorable change in business mix contributed a 120 basis point increase. These increases were partially offset by a 100 basis point reduction related to lower contributions from the Company's U.S. manufacturing and leather operations.

SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses of \$80.6 million for the third quarter of 2007 increased \$2.5 million from \$78.1 million for the third quarter of 2006. Selling and administrative expenses as a percentage of revenue decreased 10 basis points as compared to the prior year's third quarter reflecting improvements in overall distribution costs and reductions in employee benefit expenses of \$1.7 million. The Company invested an additional \$2.3 million in product development, selling, advertising and administrative costs on the Merrell® Apparel and Patagonia® Footwear initiatives during the third quarter of 2007 compared to the same quarter of 2006. Additional brand development initiatives during the third quarter of 2007 increased selling and advertising costs by \$1.1 million in comparison to the third quarter of 2006. The remaining increase related primarily to costs that vary with the increase in revenue.

INTEREST, OTHER & TAXES

The change in net interest income reflected lower average outstanding amounts on senior notes and lower working capital borrowings during the quarter.

The change in other expense primarily related to the change in realized gains or losses on foreign denominated assets and liabilities.

The Company's third quarter 2007 effective tax rate was 33.5% compared to 33.2% for the third quarter of 2006. The change in the effective tax rate related primarily to increased income from higher taxed jurisdictions.

NET EARNINGS

As a result of the revenue, gross margin and expense changes discussed above, the Company achieved net earnings of \$29.5 million for the third quarter of 2007 as compared to \$26.1 million in the third quarter of 2006, an increase of \$3.4 million.

Results of Operations - Comparison of the 36 Weeks Ended September 8, 2007 (First Three Quarters of 2007) to the 36 Weeks Ended September 9, 2006 (First Three Quarters of 2006)

Financial Summary - First Three Quarters of 2007 versus First Three Quarters of 2006

	2007		2006		Change	
	\$	%	\$	%	\$	%
<i>(Millions of dollars, except per share data)</i>						
Revenue						
Branded footwear, apparel and licensing	\$ 777.1	92.3%	\$ 729.0	91.1%	\$ 48.1	6.6%
Other business units	64.4	7.7%	71.2	8.9%	(6.8)	(9.4%)
Total revenue	\$ 841.5	100.0%	\$ 800.2	100.0%	\$ 41.3	5.2%
Gross margin						
Branded footwear, apparel and licensing	\$ 311.6	40.1%	\$ 288.3	39.5%	\$ 23.3	8.1%
Other business units	22.9	35.4%	25.5	35.9%	(2.6)	(10.4%)
Total gross margin	\$ 334.5	39.7%	\$ 313.8	39.2%	\$ 20.7	6.6%
Selling and administrative expenses	\$ 233.8	27.8%	\$ 223.1	27.9%	\$ 10.7	4.8%
Interest (income) expense - net	(1.0)	(.1%)	-	.0%	(1.0)	(6,168.8%)
Other expense - net	.5	.1%	.9	.1%	(.4)	(53.8%)
Earnings before income taxes	101.2	12.0%	89.8	11.2%	11.4	12.6%
Net earnings	67.3	8.0%	60.0	7.5%	7.3	12.1%
Diluted earnings per share	\$ 1.21		\$ 1.05		\$.16	15.2%

The following is supplemental information on total revenue:

Total Revenue - First Three Quarters

	2007		2006		Change	
	\$	%	\$	%	\$	%
<i>(Millions of dollars)</i>						
Outdoor Group	\$ 329.3	39.1%	\$ 283.2	35.4%	\$ 46.1	16.3%
Wolverine Footwear Group	172.8	20.5%	186.0	23.2%	(13.)	(7.1%)
Heritage Brands Group	143.8	17.1%	136.8	17.1%	7.0	5.1%
The Hush Puppies Company	123.9	14.7%	119.4	14.9%	4.5	3.8%
Other Branded Footwear	7.3	.9%	3.6	.5%	3.7	99.8%

Total branded footwear, apparel and licensing

revenue	\$	777.1	92.3%	\$	729.0	91.1%	\$	48.1	6.6%
Other business units		64.4	7.7%		71.2	8.9%		(6.8)	(9.4%)
<hr/>									
Total revenue	\$	841.5	100.0%	\$	800.2	100.0%	\$	41.3	5.2%
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REVENUE

For the first three quarters of 2007, revenue reached \$841.5 million, a \$41.3 million increase over the \$800.2 million reported for the first three quarters of 2006. Increases in unit volume, changes in product mix and changes

in selling price for the branded footwear, apparel and licensing operations as discussed below contributed \$25.1 million of the revenue increase. The impact of translating foreign denominated revenue to U.S. dollars increased revenue by \$16.2 million. Revenue from the other business units decreased by \$6.8 million. International revenue increased on a year-to-date basis to account for 40.4% of total revenue in 2007 as compared to 38.9% in 2006.

The Outdoor Group reported a \$46.1 million revenue increase for the first three quarters of 2007 as compared to the first three quarters of 2006. The Merrell® business realized a \$32.0 million increase over prior year as year-to-date growth was achieved across all geographic locations due to strong consumer response to the Spring and Fall footwear lines and the launch of the Merrell® Apparel business. The Sebago® brand realized a \$4.9 million revenue increase for the first three quarters of 2007 in comparison to the first three quarters of 2006 reflecting strong sales in the European market. Patagonia® Footwear, which was initially introduced for the 2007 Spring season, contributed \$9.2 million to the increase.

The Wolverine Footwear Group recorded a \$13.2 million decrease in revenue for the first three quarters of 2007 as compared to the first three quarters of 2006. The Wolverine® business realized an increase in revenue of \$6.8 million due primarily to a strong increase in its mobile distribution channel and the launch of the Wolverine® Apparel business. Lower year-to-date sales were recognized in the Bates® uniform footwear business, which realized a \$7.9 million reduction in revenue due to planned lower shipments to the U.S. Department of Defense. The private label and Stanley® Footgear businesses accounted for \$9.3 million and \$2.8 million of the year-to-date decrease, respectively, due to the planned phase-out of the businesses.

The Heritage Brands Group generated a \$7.0 million increase in revenue year-to-date when compared to 2006. Cat® Footwear's revenue increased \$5.4 million due to solid growth in the U.S. and other international markets. Improved retail presence and sell-through results have been experienced through the introduction of new product initiatives including the iTechnology™ and Legendary Raw Collection and the expansion of core industrial programs. Harley-Davidson® Footwear revenue increased \$1.6 million year-to-date largely as the result of solid retail sales resulting in improved repeat orders in the U.S. business.

The Hush Puppies Company recorded a \$4.5 million increase in revenue for the first three quarters of 2007. The increase was driven by strong sales in the U.K. market which grew \$6.4 million year-to-date. International licensing royalties increased \$2.4 million year-to-date. These increases were partially offset by a \$4.7 million decrease in the U.S. for the first three quarters related primarily to a weak Spring sandal season and a relatively challenging retail environment. The Hush Puppies slipper business contributed \$.4 million to the increase in revenue.

Within the Company's other business units, Wolverine Retail reported a \$1.4 million increase in revenue year-to-date as a result of the addition of seven stores as compared to the first three quarters of 2006, partially offset by a slight same-store revenue decrease for the first three quarters of 2007. The Wolverine® Leathers operation reported a \$8.2 million decrease in revenue primarily due to decreased demand for its suede products.

The Company ended the third quarter of 2007 with an order backlog over 11% above the level recorded at the end of the third quarter of 2006.

GROSS MARGIN

The gross margin percentage for the first three quarters of 2007 was 39.7%, a 50 basis point improvement from the first three quarters of 2006. Initial pricing margins and an improved product mix of goods shipped in the first three quarters of 2007 improved gross margin by 30 basis points. Benefits from favorable foreign exchange contract rates associated with the Company's foreign entity inventory purchases had a positive impact of 50 basis points. These increases were partially offset by 30 basis points due to increased product cost experienced by European operations related to the levying of anti-dumping duties on product sourced from China and Vietnam.

SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses increased \$10.7 million for the first three quarters of 2007 as compared to the first three quarters of 2006. The Company increased its spending in product development, selling, advertising and administrative costs on the Merrell® Apparel and Patagonia® Footwear initiatives by approximately \$6.6 million during the first three quarters of 2007 in comparison to the first three quarters of 2006. Additional brand development initiatives increased selling and advertising costs for the first three quarters of 2007 by \$3.7 million in comparison to the first three quarters of 2006. Expense related to the qualified defined benefit plans decreased \$1.9 million for the first three quarters of 2007 as compared to the first three quarters of 2006 as a result of the reduction in the amortization of prior year market value losses and an increase in the discount rate. The remaining increase related primarily to costs that vary with the increase in revenue.

INTEREST, OTHER & TAXES

The change in net interest income reflected lower average outstanding amounts on senior notes and lower working capital borrowings during the first three quarters of 2007, as well as interest income from invested cash.

The change in other expense primarily related to the change in realized gains or losses on foreign denominated assets and liabilities.

The Company's effective tax rate for the first three quarters of 2007 was 33.5% compared to 33.2% for the first three quarters of 2006. The change in the effective tax rate related primarily to increased income from higher taxed jurisdictions. The estimated annual effective tax rate for fiscal 2007 is 33.5%.

NET EARNINGS

As a result of the revenue, gross margin and expense changes discussed above, the Company achieved net earnings of \$67.3 million for the first three quarters of 2007 as compared to \$60.0 million in the first three quarters of 2006, an increase of \$7.3 million.

LIQUIDITY AND CAPITAL RESOURCES

	September 8, 2007	December 30, 2006	September 9, 2006	Change from	
				December 30, 2006	September 9, 2006
<i>(Millions of dollars)</i>					
Cash and cash equivalents	\$ 24.8	\$ 124.7	\$ 70.3	\$ (99.9)	\$ (45.5)
Accounts receivable	235.5	152.6	218.0	82.9	17.5
Inventories	198.3	184.3	205.3	14.0	(7.0)
Accounts payable	56.0	47.4	63.4	8.6	(7.4)
Accrued salaries and wages	17.8	19.3	16.1	(1.5)	1.7
Other accrued liabilities	67.6	43.5	66.5	24.1	1.1
Debt	21.5	21.5	32.2	-	(10.7)
Cash provided by operating activities	\$ 21.0		\$ 29.5		\$ (8.5)
Additions to property, plant and equipment	11.6		10.3		1.3
Depreciation and amortization	14.2		14.3		(.1)

The Company continued to strengthen its balance sheet in the third quarter of 2007. Cash of \$65.2 million was used to fund working capital investments in the first three quarters of 2007 compared to \$48.8 million used in the first three quarters of 2006. Inventory levels decreased 3.4% from the same quarter last year and inventory turns decreased 10 basis points in comparison to the prior year. Accounts receivable increased 8.0% over the same quarter last year, which exceeded the 5.2% increase in revenue due to a large portion of third quarter shipments occurring during the latter part of the quarter as a result of new Fall deliveries. The allowance for bad debts and potential product returns was increased as a result of the increase in accounts receivable and revenue as well as an increase in specific reserves related to individual customer accounts. No single customer accounted for more than 10% of the outstanding accounts receivable balance at September 8, 2007.

The decrease in accounts payable as compared to the third quarter of 2006 was primarily attributable to the decrease in inventory purchases from suppliers. The increase in other accrued liabilities compared to the third quarter of 2006 was primarily attributable to the increase in foreign currency forward exchange contracts.

The majority of capital expenditures were for information system enhancements, consumer-direct initiatives, distribution equipment and building improvements. The Company leases machinery, equipment and certain warehouse, office and retail store space under operating lease agreements that expire at various dates through 2023.

The Company has a long-term revolving credit agreement that expires in July 2010 and allows for borrowings up to \$150.0 million. The revolving credit facility is used to support working capital requirements. No amount was outstanding under the revolving credit facility at September 8, 2007 or at September 9, 2006. Proceeds from the existing credit facility along with cash flows from operations are expected to be sufficient to meet capital needs in the foreseeable future. Any excess cash flows from operating activities are expected to be used to purchase property, plant and equipment, pay down existing debt, fund internal and external growth initiatives, pay dividends or repurchase the Company's common stock.

The decrease in debt at September 8, 2007 as compared to September 9, 2006 was the result of annual principal payments on the Company's senior notes. The Company had commercial letter-of-credit facilities outstanding of \$.7 million and \$3.2 million at September 8, 2007 and September 9, 2006, respectively. The total debt-to-total capital ratio for the Company was 4.3% at the end of the third quarter of 2007, 6.1% at the end of the third quarter of 2006 and 4.1% for the fiscal year ended December 30, 2006.

The Company's Board of Directors approved common stock repurchase programs on December 13, 2005 and April 19, 2007. The programs authorize the repurchase of 3.0 million and 7.0 million shares of common stock over a 24- and 36-month period, respectively, commencing on the effective date of the programs. There were 1,184,500 shares (\$27.16 average price paid per share) repurchased during the third quarter of 2007 and 3,545,600 shares (\$28.11 average price paid per share) repurchased during the first three quarters of 2007 under the programs. There are 4,646,282 shares remaining for future repurchase under the April 19, 2007 program. The primary purpose of the stock repurchase programs is to increase stockholder value. The Company intends to continue to repurchase shares of its common stock in open market or privately negotiated transactions, from time to time, depending upon market conditions and other factors. Additional information about stock repurchases is included in Part II, Item 2 of this Form 10-Q.

The Company declared dividends of \$4.7 million in the third quarter of 2007, or \$.09 per share. This represents a 20.0% increase over the \$.075 per share declared in the third quarter of 2006. The quarterly dividend is payable on November 1, 2007 to stockholders of record on October 1, 2007.

Critical Accounting Policies

The preparation of the Company's consolidated condensed financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates these estimates. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Historically, actual results have not been materially different from the Company's estimates. However, actual results may differ from these estimates under different assumptions or conditions.

The Company has identified the critical accounting policies used in determining estimates and assumptions in the amounts reported in its Management's Discussion and Analysis of Financial Condition and Results of Operations in its Annual Report on Form 10-K for the fiscal year ended December 30, 2006. Management believes there have been no changes in those critical accounting policies.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

The information concerning quantitative and qualitative disclosures about market risk contained in the Company's Annual Report on Form 10-K for its fiscal year ended December 30, 2006, is incorporated herein by reference.

The Company faces market risk to the extent that changes in foreign currency exchange rates affect the Company's foreign assets, liabilities and inventory purchase commitments and to the extent that its long-term debt requirements are affected by changes in interest rates. The Company manages these risks by attempting to denominate contractual and other foreign arrangements in U.S. dollars and by maintaining a significant percentage of its debt on a fixed-rate basis. The Company does not believe that there has been a material change in the nature of the Company's primary market risk exposures, including the categories of market risk to which the Company is exposed and the particular markets that present the primary risk of loss to the Company. As of the date of this Form 10-Q Quarterly Report, the Company does not know of or expect there to be any material change in the general nature of its primary market risk exposure in the near term.

The methods used by the Company to manage its primary market risk exposures, as described in the sections of its annual report incorporated herein by reference in response to this item, have not changed materially during the current year. As of the date of this Form 10-Q Quarterly Report, the Company does not expect to change its methods used to manage its market risk exposures in the near term. However, the Company may change those methods in the future to adapt to changes in circumstances or to implement new techniques.

The Company's market risk exposure is mainly comprised of its vulnerability to changes in foreign currency exchange rates and interest rates. Prevailing rates and rate relationships in the future will be primarily determined by market factors that are outside of the Company's control. All information provided in response to this item consists of forward-looking statements. Reference is made to the section captioned "Forward-Looking Statements" at the beginning of this document for a discussion of the limitations on the Company's responsibility for such statements. For purposes of this item, "near term" means a period of time going forward up to one year from the date of the financial statements.

Under the provisions of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS Nos. 137 and 138, the Company is required to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through earnings. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in accumulated other comprehensive income until the hedged item is recognized in earnings.

The Company conducts wholesale operations outside of the United States in Europe and Canada where the functional currencies are primarily the British pound, euro, and Canadian dollar. The Company utilizes foreign currency forward exchange contracts to manage the volatility associated with inventory purchases made by non-U.S. wholesale operations in foreign currencies in the normal course of business. At September 8, 2007 and September 9, 2006, the Company had outstanding forward currency exchange contracts to purchase \$39.5 million and \$36.5 million, respectively, of various currencies (principally U.S. dollars) with maturities ranging up to 252 days.

The Company also faces market risk to the extent that its products are produced in countries where certain labor, overhead and raw material costs are paid in foreign currencies, including the Chinese yuan renminbi. As a result, changes in the foreign currency exchange rates of these currencies could cause increases in the price of products which the Company purchases primarily in U.S. dollars.

The Company also has production facilities in the Dominican Republic where financial statements are prepared in U.S. dollars as the functional currency; however, operating costs are paid in the local currency. Royalty revenue generated by the Company from certain third-party foreign licensees is calculated in the licensees' local currencies, but paid in U.S. dollars. Accordingly, the Company could be subject to related foreign currency remeasurement gains and losses in 2007 and beyond.

ITEM 4. Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on and as of the time of such evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures, as defined in Securities Exchange Act Rule 13a-15(e), were effective as of the end of the period covered by this report. There have been no changes during the quarter ended September 8, 2007 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Period 1 (June 17, 2007 to July 14, 2007)				
Common Stock Repurchase Program ⁽¹⁾	-	\$ -	-	5,830,782
Employee Transactions ⁽²⁾	-	-	-	-
Period 2 (July 15, 2007 to August 11, 2007)				
Common Stock Repurchase Program ⁽¹⁾	1,184,500	27.16	1,184,500	4,646,282
Employee Transactions ⁽²⁾	13,124	26.93	-	-
Period 3 (August 12 to September 8, 2007)				
Common Stock Repurchase Program ⁽¹⁾	-	-	-	4,646,282
Employee Transactions ⁽²⁾	-	-	-	-
Total for Quarter ended September 8, 2007				
Common Stock Repurchase Program ⁽¹⁾	1,184,500	\$ 27.16	1,184,500	4,646,282
Employee Transactions ⁽²⁾	13,124	26.93	-	-

1. The Company's Board of Directors approved common stock repurchase programs on December 13, 2005 and April 19, 2007. These programs authorize the repurchase of 3.0 million and 7.0 million shares of common stock over a 24- and 36-month period, respectively, commencing on the effective date of the program. All shares repurchased during the period covered by this report were purchased under publicly announced programs.
2. Employee transactions include: (1) shares delivered or attested in satisfaction of the exercise price and/or tax withholding obligations by holders of employee stock options who exercised options and (2) restricted shares withheld to offset tax withholding that occurs upon vesting of restricted shares. The Company's employee stock compensation plans provide that the value of the shares delivered or attested to, or withheld, shall be the closing price of the Company's common stock on the date the relevant transaction occurs.

ITEM 5. Other Information

On October 12, 2007, the Board of Directors of the Company amended Article VII of the Company's Amended and Restated Bylaws to permit the issuance of uncertificated shares of the Company's capital stock. The amendments make the Company eligible to participate in the Direct Registration System by January 1, 2008, as required by the New York Stock Exchange rules.

Additionally, Section 8 of Article II was amended to clarify the standard for the election of directors; Section 2 of Article III was amended to clarify the Board of Directors' oversight responsibility; Section 6 of Article V was amended to more clearly reflect the responsibilities of the Company's Chief Executive Officer; and Section 14 of Article V was revised to reflect that the Chief Executive Officer's compensation is determined by the Company's independent directors.

The effective date of the above amendments is October 12, 2007. The summary of changes to the Company's Amended and Restated Bylaws set forth above is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws, a copy of which is attached to this Form 10-Q as Exhibit 3.2 and incorporated herein by reference.

ITEM 6. Exhibits

The following documents are filed as exhibits to this report on Form 10-Q:

<u>Exhibit Number</u>	<u>Document</u>
3.1	Restated Certificate of Incorporation. Previously filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 30, 2006. Here incorporated by reference.
3.2	Amended and Restated Bylaws.
10.1	Separation and Release Agreement with Cheryl L. Johnson.
31.1	Certification of Chief Executive Officer and President under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Executive Vice President, Chief Financial Officer and Treasurer under Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification pursuant to 18 U.S.C. §1350.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**WOLVERINE WORLD WIDE, INC.
AND SUBSIDIARIES**

October 18, 2007

/s/ Blake W. Krueger

Date

Blake W. Krueger
Chief Executive Officer and President
(Duly Authorized Signatory for Registrant)

October 18, 2007

/s/ Stephen L. Gulis, Jr.

Date

Stephen L. Gulis, Jr.
Executive Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer and Duly Authorized
Signatory for Registrant)

EXHIBIT INDEX

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EXHIBIT 3.2

AMENDED AND RESTATED

BY-LAWS

OF

WOLVERINE WORLD WIDE, INC.

Adopted and effective as of October 12, 2007

ARTICLE I

OFFICES

Section 1. The corporation's principal office shall be in the City of Rockford, County of Kent, State of Michigan.

Section 2. The corporation's principal office and place of business in Delaware shall be its registered office in Delaware as set forth in the Certificate of Incorporation.

Section 3. The corporation may also have offices at such other places, both within and without the States of Michigan and Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders shall be held, except as otherwise provided by statute or these By-Laws, at such time and place as may be fixed from time to time by the Board of Directors. Meetings of stockholders may be held within or without the State of Delaware as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of the stockholders shall be held each year at such time and on such business day in the month of April as may be designated by the Board of Directors, or if no such designation is made, at 10:00 a.m. local time on the last Thursday in April, or if that day is a legal holiday, then on the next succeeding business day at such time as shall be stated in the notice of the meeting. Annual meetings shall be held to elect by a plurality vote successors to those members of the Board of Directors whose terms expire at the

meeting and to transact only such other business as may be properly brought before the meeting in accordance with these By-Laws.

Notwithstanding anything in the By-Laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in Section 4 of Article II, provided, that nothing in Section 4 of Article II shall be considered to preclude discussion by any stockholder of any business properly brought before the annual meeting.

The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of Section 4 of Article II, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 3. Special meetings of the stockholders may be called by the Board of Directors, or by the Chief Executive Officer, or upon the written request of stockholders holding in the aggregate at least forty (40) percentum of the issued and outstanding capital stock of the corporation entitled to vote on the business to be transacted at such meeting, delivered to such officer. Such stockholder request shall state the purpose or purposes of the proposed meeting. The meetings shall be held on a date fixed by the Board of Directors or the Chief Executive Officer, or in the case of a stockholder request, on a date determined by the Secretary. In the event the Secretary questions the propriety of any meeting requested by stockholders, such request shall be submitted to the Board of Directors at its next meeting, and the determination of the Board as to such propriety shall be final. No special meeting of stockholders shall be called for the purpose of removing a director or directors, for electing directors, or for amending the By-Laws of the corporation, such matters to be considered only at the annual meeting of stockholder, PROVIDED, HOWEVER, that a special meeting of stockholders may be called for the purpose of removing a director for cause, such term to be as defined under Delaware law, provided further that such cause is set forth in the request for meeting.

Section 4. Except as otherwise provided by statute, the corporation's Certificate of Incorporation or these By-Laws:

(a) No matter may be presented for stockholder action at an annual or special meeting of stockholders unless such matter is: (i) specified in the notice of the meeting (or any supplement to the notice) given by or at the direction of the Board of Directors; (ii) otherwise presented at the meeting by or at the direction of the Board of Directors; (iii) properly presented for action at the meeting by a stockholder in accordance with the notice provisions set forth in this Section and any other applicable requirements; or (iv) a procedural matter presented, or accepted for presentation, by the Chairman in his sole discretion.

(b) For a matter to be properly presented by a stockholder, the stockholder must have given timely notice of the matter in writing to the Secretary of the Corporation. To be timely, the notice must be delivered to or mailed to and received at the principal executive offices of the Corporation not less than 120 calendar days prior to the date corresponding to the date of the Corporation's proxy statement or notice of meeting released to stockholders in connection with the last preceding annual meeting of stockholders in the case of an annual meeting (unless the Corporation did not hold an annual meeting within the last year, or if the date of the upcoming

annual meeting changed by more than 30 days from the date of the last preceding meeting, then the notice must be delivered or mailed and received not more than ten days after the earlier of the date of the notice of the meeting or public disclosure of the date of the meeting), and not more than ten days after the earlier of the date of the notice of the meeting or public disclosure of the date of the meeting in the case of a special meeting. The notice by the stockholder must set forth: (i) a brief description of the matter the stockholder desires to present for stockholder action; (ii) the name and record address of the stockholder proposing the matter for stockholder action; (iii) the class and number of shares of capital stock of the Corporation that are beneficially owned by the stockholder; and (iv) any material interest of the stockholder in the matter proposed for stockholder action. For purposes of this Section, "public disclosure" means disclosure in a press release reported by the Dow Jones News Service, Associated Press or other comparable national financial news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15 of the Securities Exchange Act of 1934, as amended.

(c) Except to the extent that a stockholder proposal submitted pursuant to this Section is not made available at the time of mailing, the notice of the purposes of the meeting shall include the name and address of and the number of shares of the voting security held by the proponent of each stockholder proposal.

(d) Notwithstanding the above, if the stockholder desires to require the Corporation to include the stockholder's proposal in the Corporation's proxy materials, matters and proposals submitted for inclusion in the Corporation's proxy materials shall be governed by the solicitation rules and regulations of the Securities Exchange Act of 1934, as amended, including without limitation Rule 14a-8.

Section 5. Written notice of all meetings of stockholders, stating the time, place and in the case of special meetings, the purpose or purposes thereof, shall be given to each stockholder entitled to vote thereat, at least ten (10) days before the date fixed for the meeting.

Section 6. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held and which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 7. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the presiding chairman of the meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meetings

at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. Except as otherwise set forth in Section 2 of Article II hereunder or Section 1(f) of Article III hereunder, when a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the Certificate of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 9. Except as otherwise provided by the Certificate of Incorporation or the resolution or resolutions of the Board of Directors creating any class of stock, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder.

Section 10. Meetings of stockholders generally shall follow accepted rules of parliamentary procedure, subject to the following:

(a) The chairman of the meeting shall have absolute authority over matters of procedure, and there shall be no appeal from the ruling of the chairman. If, in his absolute discretion, the chairman deems it advisable to dispense with the rules of parliamentary procedure as to any one meeting of stockholders or part thereof, he shall so state and shall clearly state the rules under which the meeting or appropriate part thereof shall be conducted.

(b) If disorder should arise which prevents the continuation of the legitimate business of the meeting, the chairman may quit the chair and announce the adjournment of the meeting; and upon his so doing, the meeting is immediately adjourned.

(c) The chairman may ask or require that anyone not a bona fide stockholder or proxy leave the meeting.

(d) A resolution or motion shall be considered for vote only if proposed by a stockholder or a duly authorized proxy and seconded by a stockholder or a duly authorized proxy other than the individual who proposed the resolution or motion.

Section 11. At or prior to any meeting of stockholders, the Board of Directors, or, if the Board of Directors shall have taken no action with respect thereto, the chairman of the meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof. In case any person appointed as inspector fails to appear or act, the vacancy may be filled by appointment made by the person presiding at the meeting or entitled to preside at the adjourned meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.

Section 12. The Secretary of the corporation shall furnish the inspectors with a certificate setting forth the number of shares outstanding and entitled to vote, the voting power of each, the number of shares required to make a quorum and the number of shares required to be voted on any issue presented to the meeting if more than a simple majority of the quorum present. The inspectors shall determine the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or any shareholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them. The inspectors shall execute a certificate of the results of the election or vote found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them. In their determination of the validity and effect of proxies, the inspectors shall make such determination, to the extent possible, so as not to disenfranchise any stockholder.

Section 13. The inspectors may employ agents or other persons to assist in their duties. The meetings of the inspectors shall be closed to all persons except as may be requested by the inspectors, provided that the inspectors shall permit a reasonable time after their initial tabulations for the presentation and determination of challenges to the validity and effect of proxies and ballots. In the case of an election contest, whenever the representative of one or more sides is present during the course of the inspectors' duties, a representative of all other sides shall be afforded the opportunity to attend.

Section 14. In the tabulation of votes cast by proxies, it shall not be necessary for proxies to execute a ballot on matters, voting instructions (including no vote) for which are contained on the form of proxy itself, and in the absence of a ballot executed on such proxies, the proxy itself will be deemed a written ballot and tabulated in accordance with the directions contained thereon.

Section 15. The person presiding at a meeting of the stockholders may close the polls after the request for submission of proxies and ballots, upon the temporary adjournment of the meeting called to tabulate the proxies and ballots, or within a reasonable time thereafter. After the polls are closed, no proxy, revocation of proxy or ballot shall be accepted by or considered in the tabulation of proxies and ballots.

Section 16. In the event it becomes necessary to adjourn a meeting of stockholders beyond the day of the scheduled meeting in order to determine the results of any election or vote, said meeting may be adjourned from time to time by the person presiding or entitled to preside, with such meeting to be reconvened at the principal offices of the corporation in Rockford, Michigan. The only matter to be acted upon at such reconvened meeting shall be the acceptance and filing of the report from the inspectors of election.

ARTICLE III

DIRECTORS

Section 1. Directors of the corporation shall be elected, replaced and removed as follows:

(a) Number and Qualification of Directors. The number of directors which shall constitute the whole Board of Directors shall be not less than five (5) persons. Subject to the limit above specified, the number of directors shall be determined from time to time by resolution of the Board of Directors, provided that a vacancy in the Board of Directors need not be filled immediately, and until filled, such lesser number shall constitute the entire Board of Directors. Except as otherwise provided in this Section, directors shall be elected at the annual meeting of the stockholders, and each such director elected shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor is elected. A director need not be a stockholder, a citizen of the United States or a resident of the State of Delaware.

(b) Classification. The Board of Directors shall be divided into three classes, Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. At the 1990 annual meeting of stockholders, Class I directors shall be elected for a one- year term, Class II directors for a two-year term and Class III directors for a three-year term. At each succeeding annual meeting of stockholders, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of preferred stock shall have the right, voting separately as a class, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the Certificate of Incorporation applicable thereto, and such directors shall not be divided into classes pursuant to this Section 1(b) of ARTICLE III, and the number of such directors shall not be counted in determining the maximum number of directors permitted under Section 1(a) of ARTICLE III hereof, in each case unless expressly provided by the Certificate of Incorporation.

(c) Vacancies and Newly Created Directorships. Subject to the right of the holders of any series of preferred stock then outstanding, any vacancy occurring in the Board of Directors caused by resignation, removal, death, disqualification or other incapacity, and any newly created directorships resulting from an increase in the number of directors, shall be filled exclusively by a majority vote of the directors then in office, whether or not a quorum and shall not be filled by the stockholders. When the number of directors is changed, any newly created or eliminated directorship shall be so apportioned among the classes of directors as to make all classes as nearly equal in number as possible. Each director chosen to fill a vacancy or a newly created directorship shall hold office for the term coinciding with the class of his or her directorship and until his successor shall be elected and qualify. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(d) Removal. Subject to the rights of the holders of any series of preferred stock then outstanding, any or all of the directors may be removed from office at any time, but only for cause.

(e) Resignation. Any director may resign at any time and such resignation shall take effect upon receipt thereof by the Chief Executive Officer or the Secretary unless otherwise specified in the resignation.

(f) Amendment or Repeal. Notwithstanding any other provision of these By-Laws to the contrary, the provisions contained in this Section 1 shall not be amended, altered, modified or repealed, and no provision inconsistent with this Section 1 may be adopted, except upon either (i) the affirmative vote of the holders of not less than two-thirds of the outstanding stock of the corporation entitled to vote in elections of directors or (ii) the affirmative vote of a majority of the whole Board of Directors and the affirmative vote of the holders of a majority of such outstanding stock present in person or represented by proxy at any meeting of stockholders.

(g) Nomination of Directors. Subject to the rights of holders of any classes or series of preferred stock then outstanding, only persons who are nominated in accordance with the following procedures shall be eligible for election as Directors. Nomination of persons for election to the Board of the corporation at an annual meeting may be made at the annual meeting of stockholders by or at the direction of the Board of Directors by any nominating committee or person appointed by the Board or by any stockholder of the corporation entitled to vote for the election of Directors at the annual meeting who complies with the notice procedures set forth in this Section 1(g) of Article III. Such nominations, other than those made by or at the direction of the Board, shall be made pursuant to timely notice in writing to the Secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 50 days nor more than 75 days before the annual meeting; provided, however, that in the event that less than 65 days' notice or prior public disclosure of the date of an annual meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 15th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a Director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the corporation which are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of Directors pursuant to Rule 14a under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice (i) the name and record address of stockholder and (ii) the class and number of shares of capital stock of the corporation which are beneficially owned by the stockholder. The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as Director of the corporation. No person shall be eligible for election as a Director of the corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

Section 2. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By- Laws directed or required to be exercised or done by the stockholders.

Meetings of the Board of Directors

Section 3. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 4. The first meeting of each newly elected Board of Directors shall be held following the annual meeting of stockholders, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not held immediately following the annual meeting of stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

Section 5. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board.

Section 6. Special meetings of the Board may be called by the Chief Executive Officer or Secretary or by any two (2) directors on two (2) days' notice to each director. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

Section 7. At all meetings of the Board a majority of the directors (other than directors elected at that meeting) shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the Certificate of Incorporation or these By-Laws. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a written consent thereto is signed by all members of the Board or of such committee as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Section 9. The Board of Directors or any committee designated by the Board of Directors may participate in a meeting of such Board, or committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Committees of Directors

Section 10. The Board of Directors may appoint an Executive Committee whose membership shall consist of such members of the Board of Directors as it may deem advisable from time to time to serve during the pleasure of the Board. The Board of Directors may also appoint directors to serve as alternates for members of the committee in the absence or disability of regular members. The Board of Directors may fill any vacancies as they occur. The Executive Committee shall have and may exercise the powers of the Board of Directors in the management of the business affairs and property of the corporation during the intervals between meetings of the Board of Directors, subject to law and to such limitations and control as the Board of Directors may impose from time to time, except that the Executive Committee shall not, without the express authorization of the Board of Directors:

- (a) Alter or amend the Certificate of Incorporation or the By-Laws;
- (b) Fill vacancies in the membership of the Board of Directors or the Executive Committee;
- (c) Declare dividends;
- (d) Authorize the issuance of stock.

Section 11. The Board of Directors may designate such other committees as it may deem appropriate, and such committees shall exercise the authority delegated to them.

Section 12. Each committee provided for above shall meet as often as its business may require and may fix a day and time each week or at other intervals for regular meetings, notice of which shall not be required. Whenever the day fixed for a meeting shall fall on a holiday, the meeting shall be held on the business day following or on such other day as the committee may determine. Special meetings of the committees may be called by the chairman, and notice thereof may be given to the members by telephone, telegram or letter. A majority of its members shall constitute a quorum for the transaction of the business of any of the committees. A record of the proceedings of each committee shall be kept and presented to the Board of Directors. The chairperson of any of the standing or special committees of the Board of Directors may appoint one or more independent directors to serve as alternates for members of the committee in the absence or disability of regular members.

Compensation of Directors

Section 13. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors and a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Members of special or standing committees may be allowed like compensation for attending committee meetings.

Consent of Stockholders in Lieu of Meeting

Section 14. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholders of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days following the receipt of such a request, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of stockholders meetings are recorded, to the attention of the Secretary of the corporation. Delivery shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

ARTICLE IV

NOTICES

Section 1. Notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram, which shall be deemed given at the time when the same shall be sent.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or by these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

ARTICLE V

OFFICERS AND CHAIRMAN OF THE BOARD

Section 1. The officers of the corporation and the Chairman of the Board of Directors shall be chosen by the Board of Directors at its first meeting after the annual meeting of stockholders, or as soon as practicable after the annual election of directors in each year. The officers of the corporation to be selected by the Board of Directors shall include a Chief Executive Officer, a President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries and Assistant Treasurers, and such other officers as the Board of Directors may from time to time determine. Any two or more offices, except those of Chief Executive Officer and Vice President, or Chief Executive Officer and Secretary, may be held by the same person.

Section 2. The Chairman of the Board of Directors, the Chief Executive Officer and the President shall be selected from among the members of the Board of Directors. No other officer need be a member of the Board of Directors.

Term of Office

Section 3. Each officer and the Chairman of the Board shall hold office at the pleasure of the Board. The Board of Directors may remove any officer or the Chairman of the Board for cause or without cause. Any officer or the Chairman of the Board may resign his or her office at any time, such resignation to take effect upon receipt of written notice thereof by the corporation unless otherwise specified in the resignation. If the office of any officer or the office of Chairman of the Board becomes vacant for any reason, the vacancy may be filled by the Board.

The Chairman of the Board

Section 4. The Chairman of the Board shall, when present, preside at all meetings of the directors and stockholders. He or she shall have such other duties and powers as may be imposed or given by the Board but shall not be an officer or executive officer of the corporation.

The Chief Executive Officer

Section 5. The Chief Executive Officer of the corporation shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 6. In the event of the absence of the Chairman of the Board, the Chief Executive Officer shall preside at all meetings of the stockholders. The Chief Executive Officer shall, subject to the oversight of the Board of Directors, have general supervision, direction and control of the business and the officers, employees and agents of the corporation. Except as otherwise herein provided, the Chief Executive Officer shall have the power, subject to the control of the Board of Directors, to appoint or discharge and to prescribe the duties and to

fix the compensation of such agents and employees of the corporation as he may deem necessary, including the power to make temporary suspensions or appointments as officers of the corporation, such suspensions or appointments to be made effective only until the next meeting of the Board of Directors or the Executive Committee thereof. He or she shall do and perform such other duties as may be assigned to him by the Board of Directors.

Vice Presidents

Section 7. Each Vice President shall have such title and powers and perform such duties as may be assigned to him from time to time by the Chief Executive Officer or the Board of Directors.

The Secretary

Section 8. The Secretary shall attend all meetings of the Board and of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer. He or she shall keep in safe custody the seal of the corporation and shall have authority to affix the same to all instruments where its use is required or appropriate.

The Treasurer

Section 9. The Treasurer shall have the custody of the corporate funds and securities, except as otherwise provided by the Board, and shall cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation.

Other Officers

Section 10. There may be elected one or more Assistant Secretaries and Assistant Treasurers who may, in the absence, disability or nonfeasance of the Secretary or Treasurer, perform the duties and exercise the powers of such persons respectively.

Section 11. All other officers, as may from time to time be appointed by the Board of Directors pursuant to this Article shall perform such duties and exercise such authority as the Board of Directors shall prescribe.

Section 12. In the case of the absence of any officer, or for any other reason that the Board may deem sufficient, the Chief Executive Officer or the Board may delegate for the time being the powers or duties of such officer to any other person.

Executive Officers

Section 13. The Chief Executive Officer, President, Secretary and Treasurer, together with such other officers specifically designated by the Board, shall be known as executive officers and shall have all the usual powers and shall perform all the usual duties incident to their respective offices, and shall in addition perform such other duties as shall be assigned to them from time to time by the Board of Directors.

Officer Salaries

Section 14. Unless otherwise determined by the Board of Directors, the salaries of all corporate officers appointed by the Board of Directors shall be fixed by the Compensation Committee of the Board of Directors.

ARTICLE VI

SUBSIDIARIES AND DIVISIONS

Section 1. The Board of Directors or the Chief Executive Officer may, as they shall deem necessary, designate certain individuals as divisional officers. Any titles given to divisional officers may be withdrawn at any time, with or without cause, by the Board of Directors or the Chief Executive Officer. A divisional officer may, but need not be, a director or an executive officer of the corporation. All divisional officers shall perform such duties and exercise such authority as the Board of Directors or the Chief Executive Officer shall prescribe.

Section 2. The Board of Directors or the Chief Executive Officer may vote the shares of stock owned by the corporation in any subsidiary, whether wholly or partly owned by the corporation, in such manner as they may deem in the best interests of the corporation, including, without limitation, for the election of directors of any such subsidiary corporation, or for any amendments to the charter or by-laws of any such subsidiary corporation, or for the liquidation, merger, or sale of assets of any such subsidiary corporation. The Board of Directors or the Chief Executive Officer may cause to be elected to the board of directors of any such subsidiary corporation such persons as they shall designate, any of whom may, but need not be, directors, executive officers, or other employees or agents of the corporation. The Board of Directors or the Chief Executive Officer may instruct the directors of any such subsidiary corporation as to the manner in which they are to vote upon any issue properly coming before them as the directors of such subsidiary corporation, and such directors shall have no liability to the corporation as the result of any action taken in accordance with such instructions.

Section 3. Divisional officers, and the officers of any subsidiary corporation, shall not, by virtue of holding such title and position, be deemed to be officers of the corporation, nor shall any such divisional officer or officer of a subsidiary corporation, unless he shall also be a director or officer of the corporation, be entitled to have access to any files, records or other information relating or pertaining to the corporation, its business and finances, or to attend or receive the minutes of any meetings of the Board of Directors or any committee of the corporation, except as and to the extent authorized and permitted by the Board of Directors or the Chief Executive Officer.

ARTICLE VII

CERTIFICATES OF STOCK

Section 1. Shares of stock in the corporation may be represented by certificates or may be issued in uncertificated form in accordance with Delaware law. The issuance of shares in uncertificated form shall not affect shares already represented by a certificate until the certificate is surrendered to the corporation. Every holder of stock in the corporation represented by a certificate shall be entitled to have a certificate, signed by, or in the name of the corporation by, the Chief Executive Officer, President or a Vice President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation, certifying the number of shares owned by such stockholder in the corporation.

Section 2. Where a certificate is signed (1) by a transfer agent or an assistant transfer agent, or (2) by a transfer clerk acting on behalf of the corporation and a registrar, the signature of any such Chief Executive Officer, President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be facsimile. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon, a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Lost Certificates

Section 3. The Board of Directors may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed or with respect to the issuance of such new certificate or certificates or uncertificated shares.

Transfers of Stock

Section 4. Transfers of record of shares of stock in the corporation shall be made only on the corporation's books upon authorization by the stockholder of record or such stockholder's duly authorized attorney and, in the case of certificated shares, upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed.

Record Dates

Section 5. The Board of Directors may fix in advance a date, not exceeding sixty (60) days, but not less than ten (10) days preceding the date of any meeting of stockholders, or the date for the payment of any

dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting, and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

Registered Stockholders

Section 6. The corporation shall be entitled to recognize the exclusive rights of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

ARTICLE VIII

GENERAL PROVISIONS

Dividends

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds in the corporation, available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks

Section 3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Fiscal Year

Section 4. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

Seal

Section 5. The corporate seal shall have inscribed thereon the name of the corporation, and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Voting Securities

Section 6. Unless otherwise directed by the Board, the Chief Executive Officer shall have full power and authority on behalf of the corporation to attend and to act and to vote, or to execute in the name or on behalf of the corporation a proxy authorizing an agent or attorney-in-fact for the corporation to attend and vote at any meetings of security holders of corporations in which the corporation may hold securities, and at such meetings the Chief Executive Officer or his or her duly authorized agent or attorney-in-fact shall possess and may exercise any and all rights and powers incident to the ownership of such securities and which, as the owner thereof, the corporation might have possessed and exercised if present. The Board by resolution from time to time may confer like power upon any other person or persons.

ARTICLE IX

AMENDMENTS

Section 1. These By-Laws may be amended, altered, changed, added to or repealed at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the Board of Directors.

ARTICLE X

INDEMNIFICATION

The Corporation shall, to the fullest extent permitted by Section 145 of the General Corporation Law of Delaware, as the same may be amended and supplemented, indemnify any and all persons whom it shall have power to indemnify under said section from and against any and all of the expenses, liabilities or other matters referred to in or covered by said section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-Law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

EXHIBIT 10.1

**WOLVERINE WORLD WIDE INC.
SEPARATION AND RELEASE AGREEMENT**

This Separation and Release Agreement (the "Agreement") is entered into by and between Wolverine World Wide, Inc. ("Company") and the Employee identified on the Agreement signature page (the "Employee"). The Company and the Employee agree as follows regarding the conclusion of Employee's employment with the Company.

1. Conclusion of Employment. Effective as August 24, 2007, (the "Separation Date"), the Employee hereby voluntarily resigns her position as Vice President, Human Resources, and from all other offices which she holds at the Company or any of its affiliates or subsidiaries. All benefits not expressly addressed in this Agreement or which the Company is not obligated by applicable law to continue beyond the Separation Date, shall cease as of the Separation Date.

2. Employee's Separation Payment. Subject to the Employee fulfilling all of her obligations under this Agreement, the Company will pay the Employee severance compensation in the amount of \$170,000.00 less all applicable deductions for federal, state, and local taxes, social security, medical coverage premiums, wage withholding and other taxes (the "Separation Payment"), subject to the qualifications in this Section. The Separation Payment shall be paid in twenty-one (21) installments. The first installment of the Separation Payment shall be Eight Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$8,333.33) and shall be paid on the first bi-weekly payroll payment date for executives subsequent to the expiration of the revocation period referred to in Paragraph 16 below. The next nineteen (19) installments each in the amount of Eight Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$8,333.33) shall be paid on successive payroll payment dates in accordance with the Company's current bi-weekly payroll practices for corporate executives. The last installment shall be in the amount of Three Thousand Three Hundred Thirty-Three and 40/100 Dollars (\$3,333.40) which shall be paid on the first payroll payment date for executives following the 20th installment payment. The "Separation Payment Period" shall begin on the Effective Date and shall end on the date the last installment payment of the Separation Payment is paid in accordance with the terms of this Section. The Company agrees to pay the Employee for all accrued, unused vacation, less applicable deductions for federal, state, and local taxes, social security, wage withholding, and other taxes.

3. Outplacement Assistance. The Company shall provide the Employee outplacement assistance through Right Management, described as the Executive Program, for a period not to exceed nine (9) months.

4. Outstanding Balances. Prior to the Effective Date, the Employee shall reimburse the Company for any outstanding personal expenses paid by the Company on her behalf. The Employee shall pay any balances outstanding for personal purchases or expenses charged to any Company credit card or any business expenses already reimbursed. If the Employee does not pay these expenses in full on or before to her Effective Date, the Employee hereby consents to the Company deducting such amounts from her last paycheck or Separation Payments, if necessary.

5. Stock Awards. The Employee will not be eligible for any stock awards or any other awards or grants of stock incentives after the Separation Date. Any restricted stock for which the restrictions have not lapsed by the Separation Date will have the restrictions lapse

according to the terms of the applicable restricted stock agreements and plans. Any options the Employee has as of the Separation Date will vest or expire according to the terms of the applicable option agreements and plans.

6. Other Benefits; Health Insurance Coverage.

(a) The Company and the Employee agree that all Company benefits, including, but not limited to, employee discount, long-term disability, short-term disability and life insurance coverage will cease as of the Separation Date, except to the extent explicitly set forth in this Agreement. The Employee will not continue to earn vacation or other paid time off after the Separation Date. The Employee's right to contribute to the Company's 401(k) plan shall cease as of the Separation Date, in accordance with the terms of that plan.

(b) Employee will not be eligible for any bonus for fiscal year 2007 under any of the Company's bonus plans, including the Short-Term Incentive Plan (Annual Bonus Plan) and Long-Term Incentive Plan (3-Year Plan).

(c) For nine (9) months following the Separation Date, Employee will be eligible to continue her use of AYCO Financial, provided Employee pays her required portion of this benefit.

(d) As of the Separation Date, the Employee will be eligible for continued health care coverage, as permitted under the federal Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). Provided the Employee timely elects to continue receiving group medical coverage and/or dental coverage pursuant to COBRA, the Company agrees to pay for the Employee's COBRA coverage as of the Separation Date through the end of the month in which the last installment of the Separation Payment is paid. The Company's obligation to pay for the Employee's COBRA coverage, however, shall be reduced by the amount that the Employee will pay toward such coverage, which shall be equal to the amount of the Employee's medical coverage premiums as of the Separation Date. Employee will be required to pay her COBRA contributions directly to the Company's COBRA administrator each month. At the end of the month in which the last installment of the Separation Payment is paid, all continuing COBRA coverage shall be at the Employee's sole election and expense. To the extent that the Employee begins new employment on or before the conclusion of the Separation Payment Period, the Employee shall immediately notify the Company of such employment. In the event Employee becomes eligible for coverage through a new employer, Employee shall elect such coverage. Upon Employee electing such coverage, the Company's obligation to pay for COBRA coverage shall immediately cease. If the Employee timely elects COBRA coverage, the Employee may use any unused balance in her Medical Flexible Spending Account.

The Company may substitute for its current health insurance plan and retiree medical insurance plan such coverage and employee contribution requirements as are then being furnished by the Company to its similarly situated active employees.

7. Future Communications. Should inquiries be made of the Company regarding the Employee's employment by the Company, the Company will limit the information it releases to

the dates of her employment and the positions held, except to the extent it is otherwise required by law to release information regarding her employment.

8. Non-Disparagement. The Employee shall not voice criticisms of the Company, its management or its operation in any conversation, correspondence or other communications with any employees of the Company, its customers, vendors, suppliers or with the general public. The Employee understands and agrees that the commitment in this Section is a significant and material provision of this Agreement, and that the Company shall be entitled to immediately stop making any payments set forth in this Agreement should the Employee fail to comply with this provision or any other provision of this Agreement.

9. Confidential Information. The Employee shall not use for personal benefit or another's benefit, or disclose to anyone, any Confidential Information obtained during her employment by the Company. "Confidential Information" includes technical data, methods, processes, software, compositions, equipment, research data, marketing and sales information, personnel data, customer lists, books, records, reports, statements, financial and other data, plans and all the other know-how and trade secrets pertaining in any respect to the Company or the Company's business or customers.

The Employee acknowledges that the confidentiality covenants set forth in this Section are a significant and material provision of this Agreement. The Employee recognizes and agrees that, in the event of any breach by her of the confidentiality covenants, the Company shall be entitled to (1) reimbursement from her of any Separation Payments made to or on behalf of the Employee in accordance with this Agreement; (2) cease any payments set forth in this Agreement that would otherwise be paid to the Employee after the date of the breach under this Agreement; (3) State or federal court injunctive relief restraining the Employee from further violation of this Agreement; (4) money damages suffered by the Company as a result of the Employee's breach; and (5) reimbursement of court costs and attorney fees and costs reasonably incurred by the Company in securing the Employee's compliance with this Agreement.

10. Return of Property. All documents, including memoranda, notes, records, reports, photographs, drawings, plans, papers, or other documents, samples or analyses, or electronically stored information, whether or not they contain Confidential Information, are the property of the Company and must be returned to the Company on or before the Separation Date. The Employee shall return to the Company all of its property in her possession, including, but not limited to, keys, office equipment, credit cards, personal computers, files, correspondence, customer lists, business notes, documents and all other materials relating to the Company's business on or before the Separation Date. The Employee agrees not to keep photocopies, facsimiles or electronically stored forms of any Company materials.

11. Non-Solicitation. The Employee agrees that for the period beginning on her Separation Date through August 31, 2009, she will not directly or indirectly solicit or otherwise attempt to induce any Company employee to terminate employment with the Company.

12. Interpretation by Court. If any provision of this Agreement as applied to the Company or Employee or to any circumstance shall be adjudged by a court of competent jurisdiction to be invalid or unenforceable, that provision and determination shall in no way

affect any other provision of this Agreement, the application of such provision in any other circumstances, or the validity or enforceability of this Agreement. The Company and the Employee agree that the provisions of this Agreement are reasonable and they intend this Agreement to be enforced as written. If, however, any provision, or part any part of a provision is held to be unenforceable because of its duration or the types of activities restricted by it, all parties agree that a Court of competent jurisdiction making such determination shall have and should exercise the power to (1) reduce the duration of the provision or types of activities restricted to the maximum duration permitted by applicable law; (2) delete specific words or phrases; and (3) enforce the provision in its reduced form.

13. Waiver and Release. In consideration of the payments and benefits set forth herein, Employee hereby releases, waives, and forever discharges the Company and each of its affiliates, operating divisions, officers, directors, shareholders, employees, agents, professionals, and other representatives from all claims, demands, obligations, damages, and liabilities of every kind and nature and form all actions and causes of action which Employee may now have or may have or maintain hereafter against any of them whether in law, or in equity, known or unknown, arising in any way out of Employee's employment with the Company.

(a) Included Statutes. This Release and Waiver includes but is not limited to, any and all claims, including claims arising under the Civil Rights Act of 1964, the Employee Retirement Income Security Act, the Americans with Disabilities Act, the Family & Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Michigan's Elliot-Larsen Civil Rights Act, the Michigan Persons With Disabilities Civil Rights Act, and all other relevant local, state and federal statutes.

(b) Included Claims. This Agreement also includes, but is not limited to, all claims for past due or future wages, severance pay, bonuses, vacation pay, medical insurance, life or disability insurance, and other benefits (except vested retirement benefits) and all claims for violation of any express or implied agreement, written or verbal, that occurred before the execution of this Agreement, or for any violation of any common law duty or statute.

(c) Excluded Claims. Employee does not waive rights or claims that may arise after the "Effective Date" of this Agreement. This waiver and release shall not constitute a waiver or release by the Employee of any of her rights to file a discrimination complaint/charge with any local, state, or federal agency.

(d) This release shall not constitute a release by the Employee of her entitlement to any payments or benefits described in this Agreement or any right by the Employee to be indemnified by the Company as provided by statute, the Company's By-Laws, or any Directors and Officers liability insurance policy maintained by the Company for any acts or omissions during the term of her employment to the same extent she would have had the right to be indemnified absent this release.

(e) This waiver and release does not affect the Employee's right to continue COBRA continuation coverage after the Company paid period, if any, of COBRA coverage.

14. Retirement Plans. The parties recognize that the Employee may have certain vested interests in a "401(k)" retirement and/or other pension plan to which the Company has made contributions on her behalf. The waiver and release of claims set forth in Section 13 does not apply to the Employee's vested interests in such plans.

15. Opportunity for Review and Consultation. The Employee acknowledges having read this Agreement and understands all of its provisions. The Employee knowingly and voluntarily agrees to all of the terms and provisions of this Agreement. The Employee acknowledges that she has had twenty-one (21) days to enter into this Agreement. If this Agreement was executed prior to the expiration of the twenty-one (21) day deliberation period, the Employee warrants such execution was voluntary and without coercion by the Company. The Company encourages Employee to consult with an attorney regarding this Agreement. The Employee acknowledges that she has either consulted with an attorney regarding this Agreement or has intentionally chosen not to exercise the right to do so.

16. Revocation Period. Employee has seven (7) days after signing this Agreement to revoke the Agreement and the Agreement will not be effective until that revocation period has expired ("Effective Date.") Notice of revocation shall be in a signed document delivered to Kenneth A. Grady before the expiration of the revocation period.

17. Disclosures and Subpoena. The Employee agrees that the Employee will not, directly or indirectly, and without the Company's prior written consent, voluntarily provide information, documents, or statements to any entity or person, including current or former employees of the Company (except the Employee's counsel, tax preparer, and immediate family) regarding: (a) any other person's employment with, or termination of employment from, the Company; or (b) any information or documents concerning the Company. In the event that a subpoena or other lawful process is properly served upon the Employee requiring production or disclosure of information or documents concerning the foregoing matters, the Employee shall promptly notify the Company, in accordance with the Notices provisions detailed herein, and shall provide it with copies of any subpoena or other process served upon the Employee. The Employee shall thereafter make such documents available to the Company for inspection and copying at a reasonable time and place designated by the Company prior to their production. In the event that the subpoena or other process requires testimony or statements from the Employee, the Employee agrees to meet, telephonically or in person, with attorneys or agents designated by the Company, at a reasonable time and place designated by the Company and prior to giving the testimony or the production of documents, for the purpose of discussing the same. Nothing herein shall give the Company the right to control or dictate the content of any testimony given by the Employee, or any documents produced by the Employee pursuant to subpoena or other lawful process. It is understood that the Employee shall provide all information lawfully required of the Employee, but shall not waive any matters of attorney-client privilege without the Company's express consent. In the event that the Company requires any information or testimony from the Employee in connection with any claim made against the Company, or any claims made by the Company against persons or entities not party to this Agreement, the Employee agrees to cooperate fully with and without cost to the Company, including: (a) appearing at any deposition, trial, hearing or arbitration; (b) meeting telephonically or in person with attorneys or agents designated by the Company, at a reasonable time and place designated by the Company and prior to the giving of testimony, for the purpose of discussing

such testimony; and (c) providing the Company with any relevant documentation in the Employee's custody, control or possession. The Company will, however, pay for or reimburse the Employee for any reasonable expenses, not including attorneys fees, she incurs in connection with such cooperation provided that the Company has agreed in advance to such expenses.

18. Future Cooperation. The Employee agrees that, in the future, she will cooperate with the Company and will execute such documents that the Company requests in order to fulfill her obligations hereunder.

19. Assignment/Binding Effect. This Agreement is personal in nature as to Employee and may not be assigned by her. The terms of this Agreement shall inure to the benefit of the Company and its successors and assigns.

20. Amendment. This Agreement may be amended or modified only by a writing signed by the Company and Employee.

21. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Michigan. The Company and the Employee irrevocably agree and consent to the exclusive jurisdiction of the Circuit Court for Kent County, Michigan for the resolution of claims, disputes and controversies under this Agreement. This Agreement constitutes the entire Agreement between Employee and the Company with respect to the subject matter of this Agreement and supersedes all earlier agreements and understandings, oral and written, between the parties.

22. Entire Agreement. This Agreement constitutes the entire agreement between Employee and the Company with respect to the subject matter of this Agreement and supersedes all earlier agreements and understandings, oral and written, between the parties.

AGREED:

AGREED:

Cheryl L. Johnson
Employee

Wolverine World Wide, Inc.
By:

Date

Date

Exhibit 31.1

CERTIFICATIONS

I, Blake W. Krueger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wolverine World Wide, Inc.;
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(s) 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 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(s) 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.

Date: October 18, 2007

/s/ Blake W. Krueger

Blake W. Krueger
Chief Executive Officer and President
Wolverine World Wide, Inc.

Exhibit 31.2

CERTIFICATIONS

I, Stephen L. Gulis, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wolverine World Wide, Inc.;
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(s) 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 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(s) 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.

Date: October 18, 2007

/s/ Stephen L. Gulis, Jr.

Stephen L. Gulis, Jr.
Executive Vice President, Chief Financial
Officer and Treasurer
Wolverine World Wide, Inc.

Exhibit 32

CERTIFICATION

Solely for the purpose of complying with 18 U.S.C. § 1350, each of the undersigned hereby certifies in his capacity as an officer of Wolverine World Wide, Inc. (the "Company") that the Quarterly Report of the Company on Form 10-Q for the accounting period ended September 8, 2007 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in such report fairly presents, in all material respects, the financial condition of the Company at the end of such period and the results of operations of the Company for such period.

Date: October 18, 2007

/s/ Blake W. Krueger

Blake W. Krueger
Chief Executive Officer and President

/s/ Stephen L. Gulis, Jr.

Stephen L. Gulis, Jr.
Executive Vice President, Chief Financial
Officer and Treasurer